



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

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## **JOINT APPLIED PROJECT**

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**Organizational Analysis of the United States Army Contracting  
Command-Kuwait**

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September 2008**

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**ORGANIZATIONAL ANALYSIS OF THE UNITED STATES ARMY  
CONTRACTING COMMAND – KUWAIT**

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# **ORGANIZATIONAL ANALYSIS OF THE UNITED STATES ARMY CONTRACTING COMMAND – KUWAIT**

## **ABSTRACT**

This study of the U.S. Army Contracting Command – Kuwait (USACC-KU) used an organizational systems framework to analyze factors related to strategy structure, processes and results experienced at USACC-KU during 2006-2008. The researcher's experience at the command coupled with survey data from employees and mid and senior level managers was used to analyze the organization as a system. Conclusions and recommendations regarding the assessment include: 1) Key variables appeared to be incongruent, which may have contributed to documented organizational dysfunctions; 2) The command should initiate meaningful morale building events into the command's schedule and encourage use of existing morale, welfare, and recreation activities; and 3) Recommend the command establish clear and compelling short and long range goals, involve personnel and communicate goals throughout the command, and establish metrics to ensure and track implementation of needed changes. Looking at an organization as a system through a comprehensive analysis, provides leaders with a diagnostic tool to assess the health of the organization, identify weaknesses, and better align its direction with the needs of the organization.

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# TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	THESIS OVERVIEW .....	1
B.	METHODOLOGY .....	1
II.	BACKGROUND.....	3
A.	LITERARY REVIEW .....	3
B.	PROJECT STRUCTURE .....	3
1.	Inputs.....	4
2.	Throughputs.....	4
3.	Results.....	4
C.	HISTORY OF USACC-KU .....	7
III.	DESCRIPTION OF USACC-KU AS A SYSTEM USING THE OSF MODEL .....	13
A.	INPUTS .....	14
1.	External Environment.....	14
2.	Location of Camp Arifjan .....	14
3.	Key Success Factors.....	20
4.	System Direction .....	21
B.	DESIGN FACTORS .....	23
1.	Tasks .....	24
2.	People.....	31
3.	Structure.....	34
4.	Technology.....	38
5.	Processes/Subsystems.....	43
a.	<i>Financial Management.....</i>	<i>43</i>
b.	<i>Human Resource (HR) Management .....</i>	<i>44</i>
c.	<i>Communication Information Planning and Decision Making.....</i>	<i>50</i>
C.	RESULTS.....	51
1.	Culture .....	51
2.	Outputs.....	53
3.	Outcomes .....	56
IV.	SURVEY DATA .....	59
V.	ANALYSIS .....	61
A.	INPUTS .....	63
1.	Environment.....	63
2.	Key Success Factors.....	64
3.	System Direction .....	65
B.	THROUGHPUTS.....	66
1.	Tasks .....	66
2.	People.....	67

3.	Structure.....	68
4.	Technology.....	69
5.	Process/Subsystems.....	70
C.	RESULTS.....	71
1.	Culture .....	72
2.	Outputs .....	74
3.	Outcomes .....	75
VI.	CONCLUSIONS AND RECOMMENDATIONS.....	77
	APPENDIX INTERVIEW QUESTIONS.....	79
A.	EMPLOYEE INTERVIEW QUESTIONS.....	79
B.	MIDDLE MANAGEMENT INTERVIEW QUESTIONS.....	82
C.	SENIOR MANAGEMENT INTERVIEW QUESTIONS.....	85
	LIST OF REFERENCES.....	89
	INITIAL DISTRIBUTION LIST .....	91

## LIST OF FIGURES

Figure 1.	Organizational Systems Framework Model, from Professor Nancy Roberts, Naval Postgraduate School, 2000.....	6
Figure 2.	Location of Camp Arifjan .....	14
Figure 3.	Dust storm at Camp Arifjan .....	17
Figure 4.	Change in LOGCAP Workload .....	18
Figure 5.	Kuwait Contracting Growth.....	20
Figure 6.	Organization Chart .....	35
Figure 7.	Proposed Organization Chart .....	37
Figure 8.	USACC-KU main building (T-346) .....	42
Figure 9.	Staffing as of April 2008 .....	47
Figure 10.	Education level of survey respondents .....	59
Figure 11.	OSF With USACC-KU Variables .....	62

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# I. INTRODUCTION

## A. THESIS OVERVIEW

This thesis conducted an organizational analysis of the U.S. Army Contracting Command–Kuwait (USACC-KU) to describe how external environmental and internal organizational factors may have contributed to degraded performance. General systems theory and, in particular, an organizational systems model, provided the theoretical foundation for drawing conclusions and making recommendations concerning complex organizational behaviors, including fraudulent and inappropriate contracting activity. The overall purpose was to analyze how incongruency among key organizational variables can foreshadow and degrade performance. The intent was to assist leaders, managers, and practitioners in ways to improve the fit among relevant variables, thereby improving system or organizational performance.

## B. METHODOLOGY

To assess USACC-KU, an Organizational Systems Framework (OSF) Model<sup>1</sup> was applied to the organization. An overview and a description of the command are provided, reflecting various **inputs** (i.e., external environment and system direction), **throughputs** or design factors (to include its people, tasks, structure, processes, and technology), and **results** (culture, outcome and outputs). Elements of the OSF model are defined further, along with a detailed description of USACC-KU utilizing the OSF model as a guide. The model application includes the researcher's personal experience and interactions while working eight months on temporary assignment at USACC-KU, along with information management provided to outside review and inspection entities, and responses to a semi-structured survey. The researcher deployed to Kuwait as a

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<sup>1</sup> Dr. Nancy Roberts, Organizational Systems Framework Model, Naval Postgraduate School, 2000.

team member of Army Contracting Agency's Independent Review Team (discussed later in this paper) to review all contract actions exceeding \$500,000. Upon mission completion, the role changed from an external reviewer (meaning from outside the command) to a member of the USACC-KU team reviewing all actions over \$100,000 prior to release, drafting and implementing policies and procedures along with other Procurement Analyst (PA) type duties. Two-thirds of the time spent in the command was as the sole PA for the command. This enabled exposure to the majority, if not all of the command's personnel, and provided an opportunity to become involved in a many different facets of the command's functions.

The survey was disseminated and responses were received via electronic mail. This ensured consistency in the information requested and was efficient since several of the respondents are still in Kuwait. Three different question sets, approved by the Naval Postgraduate School, were disseminated dependant upon the role and position of the respondent: employee, middle management, or senior leadership. Employees include any personnel in non-supervisory positions (to include contracting officers and contract specialists) at USACC-KU during 2006-2008. Included are a mixture of civilian employees, military members, and contractor employees. Middle management includes division and operations chiefs as well as executive officers. Senior leadership consists of the Deputy to the Commander and the Commander, as well as Brigade leadership at the Principal Assistant Responsible for Contracting (PARC) level. Additionally, individuals in review team roles from other organizations were surveyed to receive a broad range of perspectives.<sup>2</sup> A total of 70 personnel were solicited for input via the survey and 23 provided a response. More information regarding the survey data is discussed in Chapter IV.

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<sup>2</sup> All levels of personnel represented in the surveys are a mix of civilian and military personnel. Contractor personnel were supplied the employee level survey, however, none responded.



## **II. BACKGROUND**

### **A. LITERARY REVIEW**

Despite the existence of several organizational analysis projects, the researcher was unable to locate any specifically addressing USACC-KU. Articles and notes from courses attended at the Naval Postgraduate School were reviewed throughout the development of this paper, and those utilized are referenced. Additionally, summary data from various command briefing slides were referred to and referenced. Multiple articles located on the World Wide Web were reviewed along with the “Gansler Report” (explained and referenced later in this paper). Additional information stemmed from the researcher’s personal observations while at the command.

### **B. PROJECT STRUCTURE**

The primary research question of this thesis is “How can an organizational systems assessment be used to explain organizational and behavioral results – intended and unintended consequences – experienced at the U.S. Army Contracting Command-Kuwait during the 2006-2008 timeframe?” A greater understanding of an organization as a system is empowering to leaders. Analyzing an organization through a systems approach encourages practitioners to examine interdependencies among the organization and environmental factors in a deliberate manner. It is essential to understand these interdependencies among variables, or the relative “fit” of variables determines performance. The model is about cause-and-effect relationships, which may be far apart in time and/or location.

A description of USACC-KU is provided in Chapter III using the OSF model to describe the organization as a system. Based on the model, the description is organized into three major subjects:

## **1. Inputs**

Inputs are external influences or factors fed into the system. They may include raw data or pre-existing data provided by the external system<sup>3</sup> to include:

- Environmental factors, such as political, economic, social, and technological forces or trends;
- Key factors for the organization to be successful; and
- System direction, to include its mission, vision, goals, strategic issues, and mandates.

## **2. Throughputs**

Throughputs are factors involved with the transformation of input into output (also referred to as design factors). In this model, they include:

- Tasks – The basic tasks, jobs or core competencies of the organization;
- Technology – The condition of the facilities and equipment, work flow, activities involved in the work flow, etc.;
- Structure – The organization chart reflecting groupings of people, how tasks and/or roles are combined, etc.;
- People – Types of people making up the organization, types of experiences, skills, knowledge and abilities, motivational factors, etc.; and
- Processes – Planning, communication, human resource management, training plans, etc.

## **3. Results**

Results are intentional and unintentional end products of the system. They include:

- Culture - Includes the behavioral norms and values, how conflict is managed, impact of culture on the organization, informal patterns of interaction, etc.;

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<sup>3</sup> Anthony Verstraete, Systems Approach & I-P-O-Model, September 1, 1997.

- Outputs – Results of the process on the input. This includes what the system has to offer (products or services), how they are measured, and indicators of performance; and
- Outcomes – How the outputs are viewed in terms of the environment and the consequences to the stakeholders.

To better understand the three main components of the OSF model, an illustration is provided in Figure 1. Displaying the model in a chart format reflects how the system is open and influenced by external environmental factors, how output can be substantially different from input, and that throughput is not just a passive tube, but an active processor<sup>4</sup> impacted by numerous factors. This figure serves as a ready reference for the reader throughout the paper.

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<sup>4</sup> F. Heylighen, "Basic Concepts of the Systems Approach," Principia Cybernetica Website, October 14, 1998.

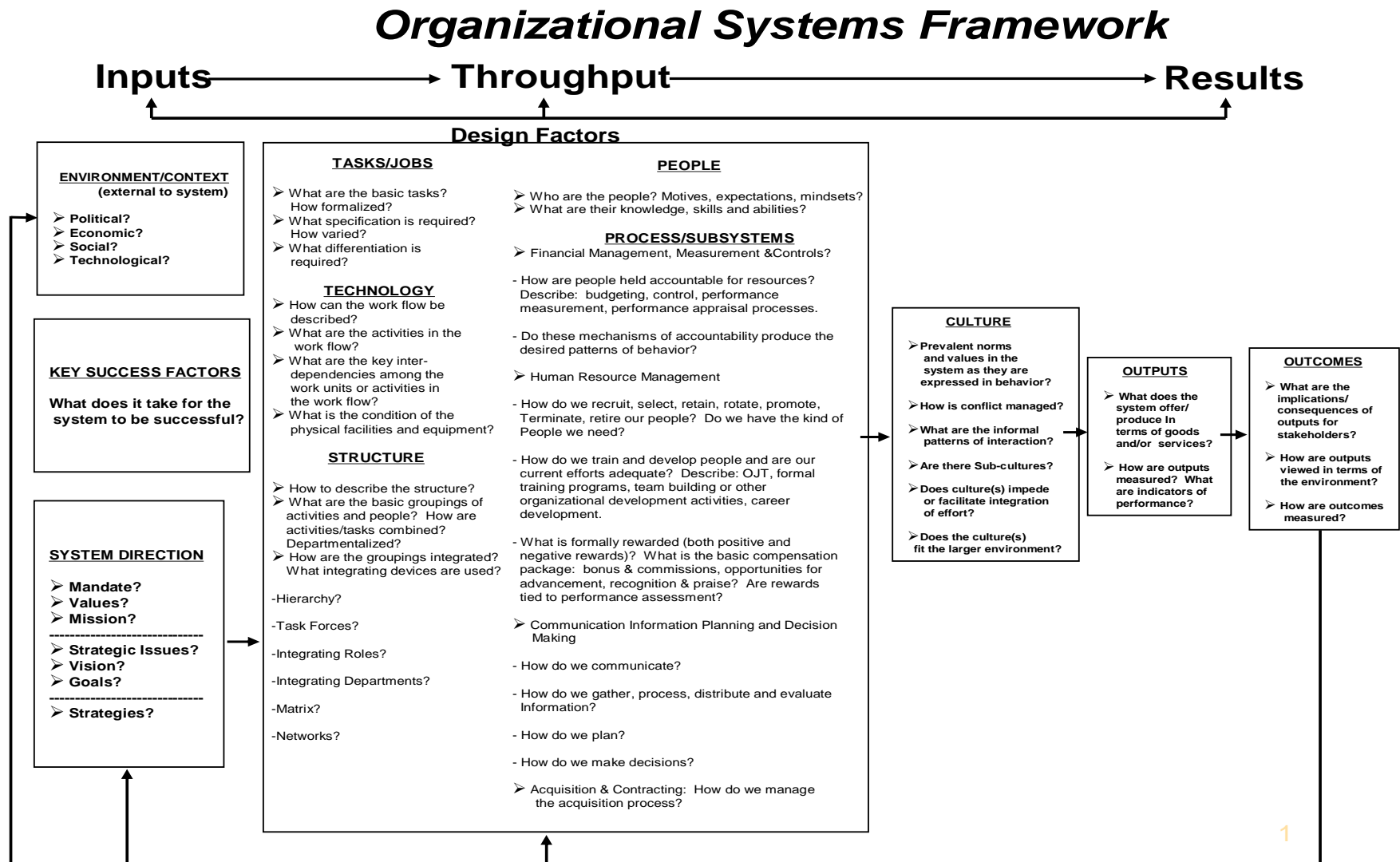


Figure 1. Organizational Systems Framework Model, from Professor Nancy Roberts, Naval Postgraduate School, 2000

Following the systems description of the organization in Chapter III, Chapter IV provides statistical information regarding the survey responses (e.g., number of responses from each grouping, average education and experience, etc.), and the survey questions. Chapter V provides an analysis of the data received using the systems approach, specifically the OSF model. Included in the analysis are the researcher's observations while serving in the command from October 2007 to June 2008, and data extracted from the survey responses. Conclusions and recommendations for current and future leaders are outlined in the final two chapters.

### **C. HISTORY OF USACC-KU**

The U.S. Army Forces Central Command (ARCENT) and the Coalition Forces Land Component Command (CFLCC), moved from Camp Doha to Camp Arifjan, Kuwait in April of 2004, a year after the U.S invasion of Iraq. Included in this move was U.S. Army Contracting Command Southwest Asia-Kuwait, now titled U.S. Army Contracting Command-Kuwait (USACC-KU). Its mission is to provide contracting support to the aforementioned commands as well as the Area Support Group-Kuwait (ASG-KU) and the Theatre Sustainment Command (TSC). USACC-KU is lead by an Army O-5 and consists of a mix of both military and civilian acquisition professionals.

The command hit center stage in the media during the summer of 2007 when Army Major John Cockerham, Jr., was indicted on six counts for a variety of offenses from conspiring to defraud the United States to destroying documents to be used in official proceedings.<sup>5</sup> Major Cockerham, a warranted Contracting Officer for the U.S. Army at Camp Arifjan, Kuwait, took nearly \$10 million in bribes between 2004 and 2005.<sup>6</sup> As the authorities looked deeper into these

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<sup>5</sup> Indictment: U.S. v. John Cockerham, Jr., Melissa Cockerham, Carolyn Blake, A.K.A. Carol Bradshaw, Defendants. Filed 2007 August 22. Clerk, U.S. District Court Western District of Texas.

<sup>6</sup> *Army Times*, September 10, 2007, "Contract Fraud Allegations Spur Investigations."

actions, they identified several contractors working with him to defraud the U.S. Government as well as other Army officials from the requiring activities who originally requested the items or services Major Cockerham procured. These charges brought a high level of interest from Army senior leaders regarding contracting activity in Kuwait. Although MAJ Cockerham was not indicted until August 2007, the Criminal Investigation Command established a fraud office in Kuwait with specially trained agents in 2006 who were already investigating numerous procurement fraud allegations in the area, to include MAJ Cockerham's case. In December 2006, Army Major Gloria Davis died of self inflicted gunshot wounds while deployed to Iraq – just one day after admitting to Army investigators she accepted over \$225,000 in bribes from contractors while serving as a warranted contracting officer at USACC-KU months earlier. As of October 2007, thirteen personnel involved with contracting in Kuwait were charged with corruption in federal courts, eight of which pleaded guilty. Pandora's box was opened.

To help close the box, the Army brought in a new PARC (O-6) and USACC-KU Commander (O-5) in June 2007 with a mandate to stop fraud, implement sound business practices and turn the organization around. Within months, deputies to both positions (GS-15 and GS-14) were on board. The first step in meeting their mandate was to identify existing problems. Therefore, at the direction of the Secretary of the Army, different agencies began sending teams to the region to assist the organization by looking into the practices and procedures of USACC-KU. Agencies including the Army Audit Agency, Criminal Investigation Command (CIC), an Independent Review Team (IRT) comprised of Army Contracting Agency personnel,<sup>7</sup> and an Army Contracting Task Force - a team of hand-picked Army officers (O-4s and O-5s) representing LTG N. Ross Thompson III, Military Deputy, Assistant Secretary of the Army (Acquisition, Logistics and Technology). LTG Thompson's Task Force (commonly referred to as the "Thompson Ten") was stood up to reinforce and immediately address

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<sup>7</sup> The researcher originally deployed to Kuwait as a member of the IRT.

existing contracting issues and aggressively implement fixes as problems were identified.<sup>8</sup> Of the roughly 6,000 contracts worth over \$2.8 billion issued by the Kuwait office since 2003, the Thompson Ten reviewed 340 under \$25,000 in value and just over 300 with a value over \$25,000. The results of their findings were reported directly to LTG Thompson. Hundreds of other contract files were boxed up and sent to TACOM for review by a separate review team along with a copy of the contract database. Many actions were referred to the CIC and as of January 16, 2008, more than 20 military and civilian employees had been charged with accepting bribes or kickbacks.<sup>9</sup> Aside from the various review teams, many high level visitors traveled to Kuwait to meet with senior leadership, including the Secretary of the Army.

The reviews and inspections surfaced many issues, aside from apparent illegal activity, to include:

- Approximately 750 unprocessed or unpaid claims (totaling over \$65M);
- 43 instances where personnel, other than those authorized, obligated the Government (totaling over \$1M) to pay for items or services not originally covered by a contractual vehicle (referred to as an Unauthorized Commitment);
- Over 13,000 contract actions not closed out (which is the last step in the acquisition cycle); and
- An enormous amount of inadequate contract files due to:
  - No sole source justifications
  - Modifications without supporting documentation
  - Few legal reviews
  - Inconsistent and missing receiving and payment documentation
  - Missing contract files
  - Unliquidated obligations

Although there were known issues surrounding the contracting operations in Kuwait, the extent of these problems was unknown when the reviews began.

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<sup>8</sup> Army Press Release, "Army Takes Further Action to Fight Fraud," August 29, 2007.

<sup>9</sup> *Philadelphia Inquirer*, "Oversight of Iraq Contracts is Shifted Amid Army Probes," January 16, 2008,

In August 2007, predominantly due to the Kuwait contracting crisis, the Secretary of the Army established a Special Commission on Army Contracting led by the Honorable Jacques Gansler, former Under Secretary of Defense for Acquisition, Technology, and Logistics. The Commission was chartered to examine theater acquisition and program management processes; review management controls to prevent fraud, waste and abuse; assess legislative needs; and recommend changes in policies and procedures.<sup>10</sup> The Commission was on site at USACC-KU in September and interviewed all personnel on board at the time, both as a group and on an individual basis. On October 31, 2007, the Commission issued their report entitled “Urgent Reform Required: Army Expeditionary Contracting, Report of the Commission on Army Acquisition and Program Management in Expeditionary Operations,” commonly referred to as the “Gansler Report.” The report included findings in Iraq, Afghanistan, and Kuwait and direct quotes from many personnel from USACC-KU. It included four major recommendations:

- 1) Increase stature, quantity and career development of the Army’s contracting personnel, military and civilian (especially for Expeditionary operations);
- 2) Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations;
- 3) Provide training and tools for overall contracting activities in expeditionary operations; and
- 4) Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations.

The results were briefed to Congress who dictated immediate changes, some of which are already implemented. In February 2008, the Army approved the establishment of the new Army Contracting Command (ACC) to include a Mission and Installation Contracting Command (MICC) to support installation contracting in the U.S. and overseas, and an Expeditionary Contracting Command (ECC) to oversee mobilization of contracting efforts in places like Iraq,

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<sup>10</sup> “Army Takes Further Action to Fight Fraud.”



Afghanistan, and Kuwait<sup>11</sup> (Recommendation #2 of the Gansler Report). In July 2008, the White House approved the Army's request for five additional General Officer slots (two major generals and three brigadier generals) to oversee purchasing and monitor contractor performance<sup>12</sup> (Recommendation #1 of the Gansler Report). One of the new major general positions will be to command the ACC. Considering the Commission's results were issued the end of October 2007, the government has acted quickly (by its own standards) to implement many of the Gansler Report recommendations.

Dr. Gansler's Commission and report, VIP visits, CIC, Thompson Ten, and the IRT all provided assistance to USACC-KU, whether visiting to bring attention to the area or by reviewing/inspecting records. However, this assistance also meant all eyes were on USACC-KU.

In the fall of 2007, a decision was made and briefed to the Secretary of the Army that all actions exceeding \$1 million would be transferred to the Acquisition Center at Rock Island, IL, via the "Reachback" program, effective October 1, 2007. By January 2008, the control of twelve major contracts for maintenance and other support work were transferred to Rock Island<sup>13</sup> with some administration delegated to the Defense Contract Management Agency (DCMA). This move did not reflect poor performance by the contractors or identification of fraudulent activities; it was based on the dollar value and complexity of the contract. The intent was to transfer work out of USACC-KU to reduce the workload and shift it to an organization with a stable workforce of personnel experienced in complex acquisitions. An intended outcome included geographic separation of the contractor and the contracting personnel. Eliminating the daily face-to-face interaction and removing the contracting personnel from the cultural

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<sup>11</sup> *Army Times*, Army Creates New Contracting Command, by Richard Lardner, February 29, 2008,

<sup>12</sup> Richard Lardner, "White House Grants Army Request for More Brass," ABC News, Channel 5, Twin Cities, MN, July 2, 2008.

<sup>13</sup> *Philadelphia Inquirer*, "Oversight of Iraq Contracts is Shifted Amid Army Probes," January 16, 2008.

environment where bribes are a part of doing business was an effort to reduce possible fraudulent behavior. The transfer of workload did not stop at the initial twelve contracts. Several other contracts were “nominated” for transfer and discussed between Rock Island and USACC-KU leadership. The transfer limited the USACC-KU workload to simplified acquisitions to award and administer; a more manageable workload given the capacity of the organization.

### III. DESCRIPTION OF USACC-KU AS A SYSTEM USING THE OSF MODEL

The purpose of this section is to describe the U.S. Army Contracting Command-Kuwait (USACC-KU) as a system using the Organizational Systems Framework (OSF) model<sup>14</sup>. A system is defined as a set of interrelated components working towards a common purpose. The model is based on the concept of **inputs**, **throughputs**, and **results**. The **input** is what is received from the external environment and the **output** is what leaves the system back into the environment. The transformation of the input by the system to an output is called the **throughput**<sup>15</sup>.

The basic systems approach to organizations acknowledges the existence of open systems; meaning they interact with other systems outside of themselves and this interaction includes inputs (what enters the system from outside) and outputs (what leaves the system for the environment). The OSF model breaks down these two components into subcategories and includes the throughput, which occurs between the inputs and outputs. As mentioned in the “Structure of Project” portion of this paper, **inputs** include: external environment, system direction, and key success factors. **Throughput**, referred to as Design Factors in the OSF, consists of: tasks/jobs, technology, structure, people, and processes or subsystems. Culture, outputs, and outcomes make up the **results** portion of the model. To gain insight into USACC-KU, the OSF model is applied based on the researcher’s close experience working in the organization, discussions with leadership, briefing slides and other applicable documents from the command.

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<sup>14</sup> Dr. Nancy Roberts, Organizational Systems Framework Model, Naval Postgraduate School, 2000.

<sup>15</sup> Heylighen, “Basic Concepts of a Systems Approach.”

## A. INPUTS

### 1. External Environment

Environmental issues external to the organization itself can affect its operations. In the OSF model, they are categorized as political, technological, social, and economic factors or influences which make up the environment where the system or organization exists. The external environment of USACC-KU can have a substantial impact on the organization considering its geographic location. It is located at Camp Arifjan, Kuwait, approximately 100 miles south of the border of Iraq and less than 30 miles from Saudi Arabia (see Figure 2).

Figure 2. Location of Camp Arifjan



SOURCE: Associated Press

AP

### 2. Location of Camp Arifjan

The Camp was originally established by the Kuwaiti and U.S. Governments to support a U.S. Army Brigade Combat Team set of prepositioned equipment on an on-going basis. However, since the start of the War in Iraq in

2003, Camp Arifjan has become the primary logistics support hub supporting the efforts in Iraq causing the size of the camp to grow substantially. The Kuwaiti government is resistant to a permanent presence by the United States, allowing the U.S. to erect temporary buildings and structures to house a variety of Government offices and equipment. Therefore, plumbing cannot be installed causing the need for additional structures and contract support for life support services such as individual latrine units, trash removal, bulk water delivery, etc.

Working in a command considered part of a combat zone impacts the organization in several ways. Although it is not close to the “front line” action of the war, results of the conflict can be seen around the Camp at the Level III trauma center, the dining facilities or other Morale, Welfare, and Recreation (MWR) locations, and an area called “Zone 6” which houses the transient units who run missions up through Iraq or provide convoy support to others. Patrons at the dining and MWR facilities often have visible injuries and the hospital has a busy MEDVAC helicopter pad. Occupants in Zone 6 live in large tents with separate shower trailers, wear worn or “heavily used” uniforms, and many times are covered in dirt and sand. Even though the sounds of war are not heard often around Camp Arifjan, the visual reminder is always present.

Since USACC-KU is operating inside of an Arab country, the social environment can also impact on the organization. The majority of the companies awarded contracts to support the military operations originate from Middle-Eastern countries. Therefore, the language barrier and the cultural differences affect contracting operations at all points in the acquisition process. For example, gestures that are meaningless in Western culture could be offensive in Arab culture. Showing the soles of shoes while sitting is considered rude and symbolic of “you being beneath my feet.” Placing a half closed fist in front of the stomach then turning it slightly implies you think the other person is a liar.<sup>16</sup> They see it as “You’re lying,” where in America, the gesture is unnoticeable to

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<sup>16</sup> Arab Cultural Awareness: 58 Factsheets, TRADOC DCSINT Handbook No. 2, January 9, 2006, 22.

most. From discussing the solicitation requirements and ensuring comprehension of the required work to the actual contract performance (contractor employees interacting with U.S. Government representatives), these social differences can impact stakeholders (e.g., soldiers, contractors, contracting office personnel), thereby impacting USACC-KU.

Living and working in an austere environment impacts USACC-KU. For most, the tour is unaccompanied leaving large geographic distances between the staff member and their friends and families. The majority of the permanent party personnel live on the economy and amongst an Arab culture which is extremely different for the majority of people. Others live in barracks-style housing on camp, with two bedrooms, sharing a bathroom and kitchen area. The temporary duty personnel live on the camp in Containerized Housing Units (commonly referred to as CHUs). The CHUs are stacked in rows with one on top of another. The units are approximately ten feet by eighteen feet, include a metal-framed, twin-size mattress (no box springs), two wall lockers, two end tables and a television stand. A tenant can borrow a television from the housing office, if interested, to view Armed Forces Network programming. Wireless Internet is available, but rarely usable due to intermittent connectivity issues. Restroom facilities are located at the end of each row of CHUs and separated by gender. They are not kept clean to what most deem acceptable by U.S. standards, but are usable and the only option. Laundry trailers are located outside of the CHU area with limited air conditioning — and aromas often less than tolerable due to the nature of local plumbing.

Kuwait has a desert climate with very hot and dry summers, dust storms, and limited rainfall (3"- 6" annually), as seen in the photograph below. The average temperatures in the summer (May to October) range from 108F to 115F.<sup>17</sup> Add wind, and it feels like Mother Nature is turning on a hairdryer. During the winter months (November to April), temperatures may occasionally

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<sup>17</sup> Country Handbook for Kuwait, November 2002, DOD-2630-KWT-004-03, 7.

drop to the freezing point at night. Although the majority of the work at USACC-KU is conducted indoors, personnel must go outside throughout the day to access the latrines and the dining facilities. Many times, the air conditioning in a car does not cool down by the time one drives to the chow halls. Working and living in a combat zone in the middle of an Arab culture while in austere living conditions affect the individuals in the command, thereby, impacting USACC-KU.

Figure 3. Dust storm at Camp Arifjan<sup>18</sup>



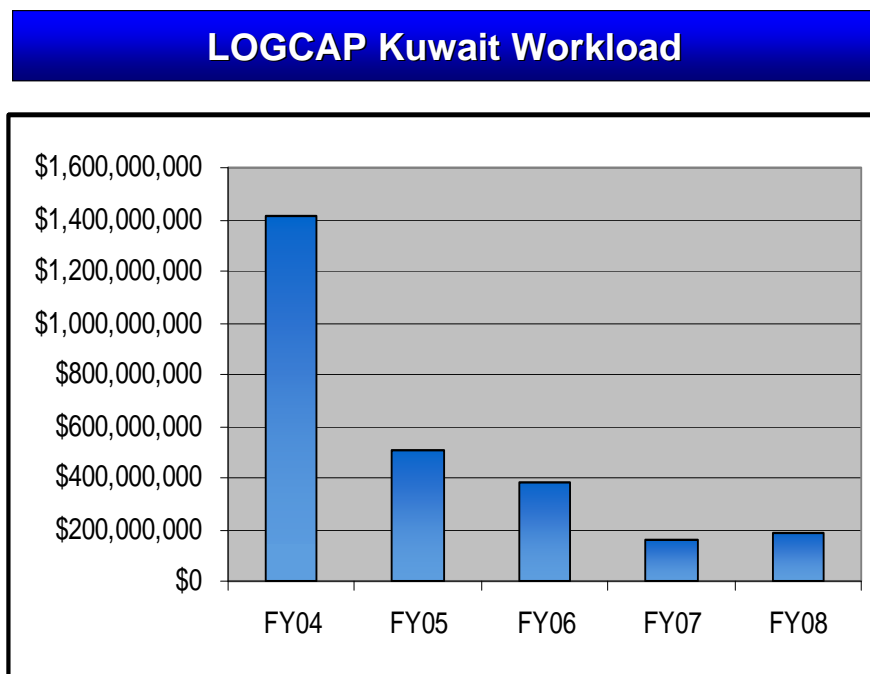
The politics surrounding the Army's Logistics Civil Augmentation Program (LOGAP) III contract likely also impacted USACC-KU. LOGCAP supported the brunt of the contract services in Kuwait until the public demanded a decrease due to scandals surrounding the Prime Contractor, Kellogg, Brown and Root (KBR). Numerous accusations surrounded the firm; from former employees

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<sup>18</sup> Photograph taken by researcher while serving in Kuwait.

being indicted on charges of defrauding the United States, to price gouging on numerous contract services in Iraq and Kuwait. As a result of public pressure upon Congress that flowed to the Department of Defense (DoD), contracted effort shifted from LOGCAP to direct local contracts, the LOGCAP workload went from over \$1.4B in Fiscal Year (FY) 2004 to just under \$200M in FY 2008, a 600% decrease in LOGCAP workload (see Figure 4). Much of the decreased LOGCAP workload was directly transferred to USACC-KU.

Figure 4. Change in LOGCAP Workload<sup>19</sup>



Additionally during this period, Defense Contract Management Agency (DCMA) services of contract oversight and administration decreased along with support provided by KBR through LOGCAP. Large portions of the workload no longer covered by LOGCAP and DCMA became the responsibility of USACC-KU.

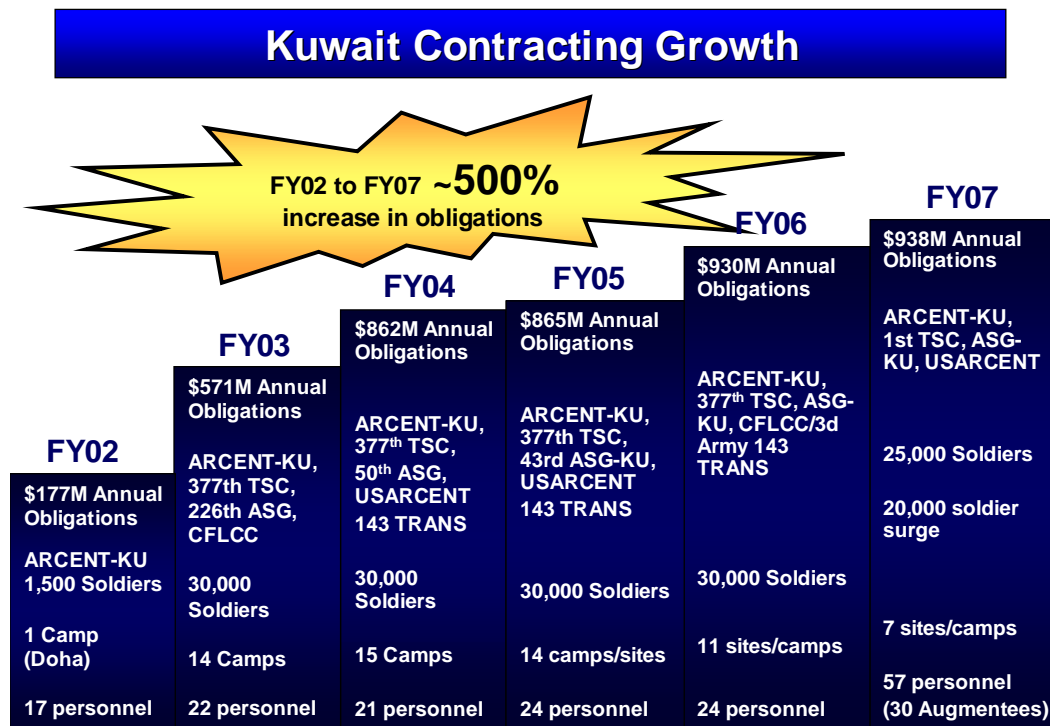
<sup>19</sup> ACC-KU In-Brief slides, Slide 10, LTC Doug Kiser, May 10, 2008,



Prior to the invasion of Iraq, approximately 1,500 soldiers were supported by USACC-KU. These 1,500 soldiers were part of the peacetime effort stationed in Kuwait on an on-going basis. After the war began in FY 2003, the primary mission in Kuwait became Receiving, Staging, and Onward Integration (RSOI) for troops serving in Iraq. Additional soldiers assigned to Kuwait performed convoy operations and logistics functions. The average amount of soldiers now assigned to Kuwait is around 30,000. Approximately 140,000 Soldiers, Sailors Airmen and Marines process through Kuwait and into Iraq each year. These troops receive services provided via contracts awarded by Kuwait contracting: laundry service, DFAC service, and other life support. Congress approved a 20,000 soldier “surge” in the Iraq AOR during FY 2007, increasing those supported by the Kuwait office by an additional 20,000. The more troops to support, the more contract support required. Whether it is an increase in the quantity of contracts or modifications to expand the scope of work or to increase contract line items, it equates to additional workload.

The rise in troop levels and decreased support by LOGCAP and DCMA contributed to the increased workload at USACC-KU. The chart below (Figure 5) reflects the amount of troops supported and the increased workload by showing the actual obligations experienced at the command between FY 2002 and FY 2007. The annual obligations grew from approximately \$177M to \$938M (approximately 500% increase in obligations).

Figure 5. Kuwait Contracting Growth<sup>20</sup>



In summation, operating inside of a combat zone, interacting with an unfamiliar culture, and trying to support an additional workload of approximately 500% while living and working in austere conditions are a few of many examples of how external environment factors can impact USACC-KU as a system. An additional input for an organization as a system is identifying key factors for its success.

### 3. Key Success Factors

According to the OSF model, an element that affects an organizations future success is contained in the question, “What does it take for the organization to be successful?” (e.g., what factors are crucial for success). These key factors may change from year to year based on the priorities and other external environmental issues.

<sup>20</sup> ACC-KU In-Brief slides, Slide 11.

Based on the problems of corruption surrounding the USACC-KU over the past several years, the implementation of checks and balances to avoid any reoccurrence was a priority for the new command to ensure future success. The contracting command would need to effectively and efficiently process contract actions meeting customers' requirements in a timely and cost effective manner. Contracts need to be awarded in compliance with federal, DoD, Army, brigade level, and local regulations and policies, and represent the best value to the Government (i.e., the soldiers being supported) while ensuring appropriate use of American tax payer dollars. These factors define success for USACC-KU.

#### **4. System Direction**

Direction setting includes identification of its mission, vision, values, goals, strategic plans, and any mandates levied on the organization. The current Commander assumed command of USACC-KU in June of 2007, the same month as the new 408<sup>th</sup> Contract Support Brigade (CSB) Commander, who also serves as the PARC. Their assignment came in the midst of many indictments and investigations related to Army contracting in Kuwait. The fraud, abuse and basically poor contracting, enormously impacted the command. Once Pandora's box was opened and various teams dove into the issues surrounding the command, the findings reflected a troubled procurement office.

The primary tasking for the new leadership at both the Brigade and USACC-KU command level was to put USACC-KU on a path to recovery (e.g., ensure implementation of proper business practices, recruit personnel with the right skill sets and experience, etc.) and ensure measures were in place to prevent future fraud and abuse. Additionally, they focused on implementing standard processes and procedures to improve the contracting organization as well as its products and customer service.

Part of the remedy to "fix" the command included the mandate by the PARC (endorsed by the Secretary of the Army) to transfer all actions exceeding \$1 million to the "reachback" program at the Acquisition Center located at Rock

Island, IL. USACC-KU changed from handling all base level contracting support for the region to only procuring those supplies and services less than \$1 million (Simplified Acquisition Threshold per the Federal Acquisition Regulation (FAR)). Not only did this decision substantially decrease the quantity of contracting actions processed by the command, but the complexity level decreased as well.

Although the 408th CSB is based out of Fort McPherson, GA, the new commander elected to move “forward” full time and deploy with a staff to Camp Arifjan. The brigade includes both the Qatar and Kuwait contracting offices, but the primary focus (up through the Secretary of the Army) remained at USACC-KU. Being in close geographic proximity, the PARC became involved with the daily operations of the command, which in comparison with Army contracting operations in the U.S., is not the norm. Having the senior level management from a higher headquarters heavily involved in daily operations can impact the direction of the organization or “system.” The goals and mandates of USACC-KU may be influenced or directed by the PARC’s office and *their* focus areas.

Upon assumption of command for USACC-KU, the commander received the following mandates from the PARC:

- 1) Establish procedures to prevent unethical behavior;
- 2) Implement processes to ensure effective customer support; and
- 3) Resolve outstanding claims and unauthorized commitments.

These mandates were not received in a formal document, but through an initial briefing and subsequent email and face-to-face interaction between the USACC-KU Commander and the PARC.<sup>21</sup>

By January 2008, the USACC-KU commander issued and posted the following Mission and Vision Statements on the interior of all of the exit doors of the building for all personnel to take notice:

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<sup>21</sup> Information gained in discussions with an anonymous member of the PARC staff.

- Mission Statement – “USACC-KU provides installation and theatre-level contracting support to CFLCC/ USARCENT and deployed units in the Kuwait area of operations that enable Warfighters to accomplish their mission.”
- Vision Statement – “Provide world-class contracting support with a professional and dedicated team that is committed to integrity, sound business judgment, and process improvement to achieve customer satisfaction.”

Although the mission and vision statement were posted, they were not addressed by leadership during one-on-one interactions with command members or in frequent “All Hands” meetings where the entire command assembles.

The reachback initiative and other mandates from the PARC were clear. The mission and vision statements established by the USACC-KU were also clear. The day-to-day direction of the organization was not clear. An example of this is contract closeout. The command designated contract closeout as a priority since over 13,000 contract actions remained open after the delivery date or period of performance had ended. An AF Captain was designated as the lead and, eventually, a team was formed to focus on the effort. Reports were run; processes and progress developed. The team leader was tasked to redirect her focus on combining life support contracts to transition to the reachback program. Some team members continued with the closeout effort while others worked various projects that arose. The initiative was reenergized when a contractor employee was designated the lead. He developed tighter processes and procedures and almost completed the team’s mission of closing out all applicable actions for FY 2007 and 2008 when reassigned to another team as a contract specialist. Division management tracked the number of closeouts accomplished in weekly status reports required for the PARC. The PARC had no interest in closeouts as he had higher priorities; therefore, the workload was not reflected in weekly progress briefings from USACC-KU.

## **B. DESIGN FACTORS**

Design Factors, in the OSF model, refer to the *throughputs*, sometimes referred to as the ‘black box of management.’ *Throughputs* are where various

**inputs** are acted on to create **results**. These include tasks or basic jobs, technology, structure, people, and processes or subsystems. Each of these factors are addressed below:

## **1. Tasks**

Part of the throughput are the *tasks* of the organization. These are the actual basic tasks, jobs, or functions performed by the organization. This factor includes how they are formalized, how they vary, and what specification is required. The basic tasks for USACC-KU are outlined in the following paragraphs.

During FY 2006 and 2007, the core competency for the command was to provide contract support for all installation level supplies or services for the U.S. military operations in Kuwait and those launched from Kuwait into Iraq in support of Operation Iraqi Freedom (OIF). The customer base included active duty Army, Guard and Reserve units, Navy Seabees and port operators, Marine personnel and some Air Force operations as well. These customers are located throughout Kuwait to include several Camps, port operations at the Kuwait Naval Base, and Ali Al Salem (the Life Support Area for Intra-theatre air-flow personnel flights in and out of the country operating out of Kuwait International Airport). Some of the services included:

- Base operations for each Camp in Kuwait;
- Hauling of equipment in and out of Iraq (referred to as heavy lift);
- Storing and inventorying of soldiers Individual Body Armor (IBA) while they left theatre for mandatory and other leave periods;
- Utilities such as power generation, internet, telephone, and cable television;
- Laundry services for both soldiers and medical facilities;
- Generator maintenance;
- Dining facility operations throughout Kuwait;
- Various custodial services to include hospital cleaning;
- Housing services for both on and off post billeting;

- Shuttle bus services to move soldiers around the camps;
- Lease or purchase of tents, to include their set up and insulation;
- Bottled water and bagged ice;
- Desktop and laptop computers along with other peripheral information technology equipment;
- Material handling equipment; and
- An array of supplies required to keep the Camps operational and to support soldiers moving forward into Iraq.

The tasks required at USACC-KU are similar in nature to any other Army contracting office. Regulations and policies prescribe the majority of the steps necessary to write, award, and administer contracts. Until October 2007, USACC-KU processed both complex, large dollar acquisitions as well as smaller projects processed utilizing Simplified Acquisition Procedures (SAP), authorized by FAR Part 13, for actions under the Simplified Acquisition Threshold (SAT) of \$1 million when supporting contingency operations.<sup>22</sup> The primary tasks required are outlined in the FAR, the Defense and Army Supplements (referred to as DFARS and AFARS), as well as Army policy. However, no Standard Operating Procedures existed to formalize essential acquisition processes and procedures locally.

The steps differ for processing large dollar versus actions under the SAT. Regulations require different steps and documentation based on the acquisition procedures utilized for the individual procurement. For example, if SAP is not used for a negotiated procurement, the Contracting Specialist/Officer is required to complete a Prenegotiation Objective Memorandum (POM). The POM outlines the procurement process by listing the offerors and their proposed pricing, explaining whether socio-economic programs were utilized during the solicitation process, whether competition by multiple sources was sought, and other pertinent information necessary to tell the “story” of the specific procurement. Depending on the dollar amount, this may need approval by the PARC or even

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<sup>22</sup> Federal Acquisition Regulation Part 2. 101.

higher up the chain of command. Following the negotiations, a Price Negotiation Memorandum (PNM) is required to reflect the outcome of the negotiations, determination of fair and reasonable, and other information for the reader to understand what occurred during the negotiations and why the objectives were or were not met, etc. Neither of these documents are required when procuring using SAP. One major emphasis of FAR Part 13 is limited documentation and minimal determinations by the contracting personnel. With the mandate to only process actions less than SAP, the detailed tasks for the organization changed.

Once contracts are awarded (meaning signed by the contracting officer), contract administration requirements begin. This includes ensuring items ordered are delivered timely, coordinating with the Contracting Officer's Representatives (CORs) regarding contractor performance, negotiating any necessary changes in the contract, modifying contracts, assisting vendors with payment problems, and eventually closing out the contract once full performance and payment is verified. Closing a contract is final administrative step required in the acquisition process indicating all actions are complete. Once closed, both hard and electronic copies must be retained for various time frames per the FAR.

Although the individual steps or tasks may vary based on the dollar amount and other procurement variables, the overall "big picture" tasks are relatively the same. Regardless of the complexity, procedures used, etc., the requirement must be adequately defined by the customer, some sort of solicitation is conducted to receive quotes or offers, contract awards are processed, and some level of contract administration is required. The sub-tasks will vary but the overarching process remains. With the decision for Rock Island to process all actions over the SAP, the individual tasks for USACC-KU changed dramatically between FY 2007 and 2008.

Another function within the organization includes writing policies and Standard Operating Procedures (SOPs) as well as providing procurement guidance to the staff. An inadequate desktop guide, dating back to 2006, existed in the command but its use was not encouraged or enforced. In an effort to



separate USACC-KU from its past, leadership required new SOPs be issued under the current commander's signature by topic area rather than an all-encompassing guide. The researcher is unable to ascertain when the use of the guidebook diminished in its entirety. Regardless, current local guidance was lacking. Early in 2008, developing SOPs or policy within the command became the responsibility of the Procurement Analyst. SOPs are developed using published guidance/policy from higher headquarters up through regulations at the federal level. Expertise and experience is applied in determining the best processes and procedures at the command level. Once they are drafted, all division chiefs are afforded the opportunity to provide input with a specified number of days. Comments are compiled and incorporated, if needed, then submitted to the commander for signature and implementation.

Leadership identified the need for SOPs, but did not set it as a priority until the second quarter of FY 2008. Once set, a list was compiled reflecting topic areas requiring SOPs. Those charged with developing the SOPs requested management prioritize the list to ensure the effort was in line with the expectations and current priorities of the command. No response was received. The team proceeded working on what they considered a priority using their experience at USACC-KU.

The Support Division Chief tracked progress of the SOPs and presented their status at the weekly staff meeting. Personnel changes left one individual to work SOP development while also reviewing each contract action exceeding \$100,000. Each action required a completed review within 24 hours, which unofficially made the reviews the priority. SOPs fell in priority. As of May 10, 2008, one SOP was signed and released by the commander; "KU-SOP-0001 entitled, Development, Approval, Release and Control of SOPs."<sup>23</sup> Employees and middle managers sought local guidance to assist in their daily tasks. One respondent stated to be successful, USACC-KU needs "*Established procedures*

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<sup>23</sup> ACC-KU In-Brief slides, Slide 23.

*for the process of contract award. Command is making a lot of progress in this area.”* Based on this statement, the researcher assumes effort to develop SOPs again became a priority.

To assist with contract quality oversight, an internal review process providing quality assurance of contract documents began on all contract actions exceeding \$100,000. The applicable files are reviewed by the below in the following order:

1. Contracting Officer
2. Procurement Analyst
3. Attorney-advisor
4. Chief, Contract Operations

For actions exceeding \$500,000, the above process remains with the addition of:

5. Commander, USACC-KU
6. Deputy PARC

This process was implemented via an email from the Deputy PARC to the USACC-KU commander in March 2008. The email was not distributed throughout the command; the direction was filtered by word-of-mouth.

In addition to awarding contracts and issuing policy, the command is also responsible for the Government Purchase Card (GPC) Program in Kuwait. Each Army operational contracting office supporting a program has an Agency/Organization Program Coordinator (A/OPC) who oversees the program. They are responsible for training program participants, ensuring annual training requirements are met, establishing and managing individual cardholder accounts and appointing the account certifiers (referred to as Billing Officials (BOs) in the Army), conducting annual inspections on one hundred percent of all BO accounts and providing results to the unit's chain of command, and addressing questions posed by customers. In August 2007, the size of the program was close to four hundred accounts, but by April 2008, they had reduced the amount of accounts to just over 180. Although the daily tasks remain regardless of the size of the program, the smaller the program, the less oversight required.

Guidance for overseeing the program is formalized in the Department of Defense Charge Card Guidebook for establishing and Managing Purchase, Travel, and Fuel Card Programs, dated August 19, 2008, and Army Regulation 715-xx (working draft), dated March 2006. The Director of the Joint Program Management Office for the GPC issues policy memorandums when necessary, which are often times, supplemented by the Army proponent responsible for the program – Deputy Assistant Secretary of the Army (Procurement). In the middle of FY 2008, the 408<sup>th</sup> CSB commander issued a regional SOP applicable to both the contracting office in Kuwait and Qatar. No implementing guidance was issued locally; commander determined the brigade level SOP was sufficient.

When the command was responsible for the base operations contract for all installations in Kuwait populated with U.S. military personnel, USACC-KU provided property administration services for the Government owned property being utilized by the contractor. Responsibility for ensuring the Government property was on the property books and hand receipted to the contractor belonged to the command. If problems occurred with the property, they coordinated the repair or replacement and ensured accuracy and completeness of the Government records. With the transfer of the base operations contract, there was no longer a need for a property administrator within the command. The person filling the position retired in the second quarter of FY 2008 and the position was removed from the Table of Distribution and Allowances (TDA).

With the automated contract writing system and other information technology requirements in the command, the organization is responsible for keeping the systems updated, functioning, and usable by the staff. They must appoint information management officers to coordinate with the local information management staff at ASG-KU for any firewall or other issues involving the local computer network. Along with technical experts to keep the system operating, a functional system administrator is on board to assist users with questions and concerns regarding the operation of the contract writing system. The contractor who developed the contract writing system provides technical support to

command designated representatives and supplies a website for additional information. The Army established a group of technical experts at Fort Lee, VA, to assist in the majority of e-business solutions supporting the acquisition workforce. Available on their website is a Concept of Operations (CONOPS) that provides guidance on the Army's implementation of the system. USACC-KU has not issued any local supplement or written guidance. However, the Joint Program Management Office responsible for the contract writing system provides regular formalized guidance regarding system problems, upgrades, and frequently asked questions.

USACC-KU has an established Quality Assurance (QA) branch. When the massive base operations contract was the responsibility of the command, their role consisted of overseeing the contractor performing the services along with representatives from the units. The tasks were formalized by requirements in the contract, the FAR, and its supplements. The basic job morphed into developing and overseeing the Contracting Officer's Representative (COR) program for Kuwait. Local training courses are now developed and taught by the command, internal SOPs implementing and outlining the requirements are complete, the QA personnel provide on-the-job assistance, and are tracking COR data and monitoring COR performance. Results of any reviews are provided to the contracting officer and the COR's unit. In July 2007, approximately twenty-five percent of service contracts had trained and appointed CORs. By October 1, 2007, over 345 students completed the local COR training and by May 1, 2008, 100 percent of all service contracts requiring a COR had appointed and trained CORs performing QA.<sup>24</sup>

As with most organizations, administrative tasks are necessary to keep the unit functioning. Civilian personnel actions are processed, arriving and departing employees are provided in and out processing checklists, payroll information is submitted up the chain of command, training requirements

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<sup>24</sup> USARCENT Contracting Officer's Representative (COR) Program briefing slides, Slide 13, Mr. David Yelton, May 18, 2008.

monitored, and leave and other benefits are tracked. Aside from this type of administrative support, tasks include entering the Purchase Request and Commitment (Department of the Army Form 3953) data into the contract writing system. Coordination is made with customers when the form contained errors or if necessary information is not included. Although the contracting command's primary job is to award contracts, a myriad of tasks are required to allow the organization to function on its mission.

## **2. People**

The OSF model design factor, *people*, describes the number and types of personnel in the organization, including their expectations, motivations, and mindsets, as well as their knowledge, skill sets, and abilities. This data assists in analyzing the organization and any intended or unintended consequences that may occur when inputs are being processed into results. The people of USACC-KU are described below using this criteria.

As of February 2007, the command was authorized 29 positions. Twenty-four of the positions were filled and an additional eight personnel augmented the staff. Augmentees included staff from the TSC, the PARC's office, and the Joint Manning Document (JMD). The JMD contains a specified amount of slots filled by other services. It reflects one Navy O-4 and two Air Force O-3 positions for USACC-KU. When workload was exceeding the capabilities of the staff, the commander at the time, submitted a requirement for Contract Specialist contractor personnel to a contracting center in the U.S. The center awarded a Task Order for up to 15 contractor personnel. Currently, USACC-KU is operating with all 15 on board.

In May 2008, leadership at USACC-KU released a proposed TDA of 44 personnel (six military and 38 Army civilians) for approval through their chain of command. They were functioning with two military, 21 Army civilians and 28 augmentees. Augmentees included 15 contractor personnel, three personnel filling the JMD positions, and numerous military and civilian personnel on

Temporary Duty (TDY) or Temporary Change of Station (TCS). Official status of the request for an increased TDA is unknown by the researcher.

Considering the mix of military (from different services), civilian employees, and contractor personnel, there is a myriad of motivations, expectations, and mindsets amongst the staff. Most often, the military are selected for deployment and probably did not chose the location. Once in USACC-KU, repairing the damage done to the command by their predecessors likely motivated most military members. They also wished to support the troops in the field, as most had once been in the field themselves. For civilian and contractor personnel, some may be motivated by the increased pay for working in a declared combat zone. Army civilian employees who are TDY are entitled Danger Pay and Post Differential, each equal to 15 percent of their base pay. Additionally, most are offered a temporary promotion if they agree to deploy. Depending on the length of the tour and their efforts, they may receive an incentive award (a.k.a. bonus) of \$2,000 to \$5,000.<sup>25</sup> Those who accept permanent positions (meaning permanent change of station/PSC) or TSC receive the aforementioned pay increases as well as a Post Allowance of twenty percent of their base pay and possibly a Separate Maintenance Allowance. Based on the number of dependents, SMA could range from \$4,300 to \$17,700 annually.<sup>26</sup> Often times, USACC-KU offers a recruitment bonus of twenty percent of the base pay if the selectee agrees to stay for one year. Some additional non-monetary incentives were available such as:

- Government leased apartment for PCS personnel;
- Government leased vehicle and fuel at no charge;
- Government leased cellular telephone;
- Free meals at the Government dining facilities;
- Overtime and/or compensatory time; and/or

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<sup>25</sup> Information Paper, subj: Army Contracting Agency, Southwest Asia Contracting Command Kuwait Employee Incentives and Entitlements, Sandy Swynenberg, Human Resource Officer, not dated.

<sup>26</sup> Ibid.

- Rest and Relaxation tour (round trip airfare paid).

The additional compensation (entitlements and bonuses) and non-monetary benefits listed above are incentives offered by the Army that may motivate civilian personnel to apply, accept and possibly extend their positions at USACC-KU.

Others may be motivated by the sense of adventure, wanting to assist in the “clean up” of an in-trouble organization, or to have an increased sense of “supporting the troops” by being closer to the action. Another possibility is the upward mobility potential in the command. With the high turnover rate and recruiting challenges, promotion potential exists at a faster rate than contracting organizations in non-combat zones.

Contractor personnel may be motivated by similar reasons. Based on the negotiated contract, the contractor included similar benefits and incentives in their price proposal to include a \$20,000 bonus after completing a year in Kuwait. Many of the contractor personnel are either retired military or military that left the service after their commitment ended. They may be motivated by the financial opportunities, but possibly by no longer being in leadership roles. Contractor employees cannot be warranted as a contracting officer and therefore, are no longer the final decision makers. The government representative retains that responsibility.

The capabilities of military personnel at the command vary. The Army has determined they will no longer deploy an acquisition officer (in the series of 51C) unless they have at least one year of experience. However, this is a recent decision so in prior years, many could have rotated through the command with little or no operational experience in contracting. Even if they have a year of experience, it may not be the specialized experience necessary in Kuwait. The Navy traditionally sends a Supply Corps officer, but their training differs from the Army. They are not solely dedicated to contracting; they have more of a general logistics focus. The Air Force (AF) starts their acquisition personnel in

contracting where they usually remain throughout their career. There are different types of contracting supported by the AF, from base or installation level contracting to systems development contracting. Therefore, the military positions at USACC-KU may not always be filled by those with the necessary base level experience.

Army civilian personnel within the command have mixed capabilities as well. It is difficult to recruit people to serve at Camp Arifjan. There are only two “command sponsored” positions within the organization which allow spouses and/or children to accompany the employee. This is a deterrent for many with the right skill set and experience. There are instances where contract specialists accepted PSC positions in the command immediately after graduating from an internship program, which reflects their limited experience.

### **3. Structure**

In the OSF model, *structure* refers to basic groupings of activities and people, how the activities are combined or departmentalized, and how groupings are integrated. Also considered, are the integrating devices used such as hierarchy, task forces, matrix or network type of arrangements. At USACC-KU, the structure is influenced by the commander and, therefore, may vary with the change of leadership. In February 2007, the commander at the time grouped the staff into three major divisions:

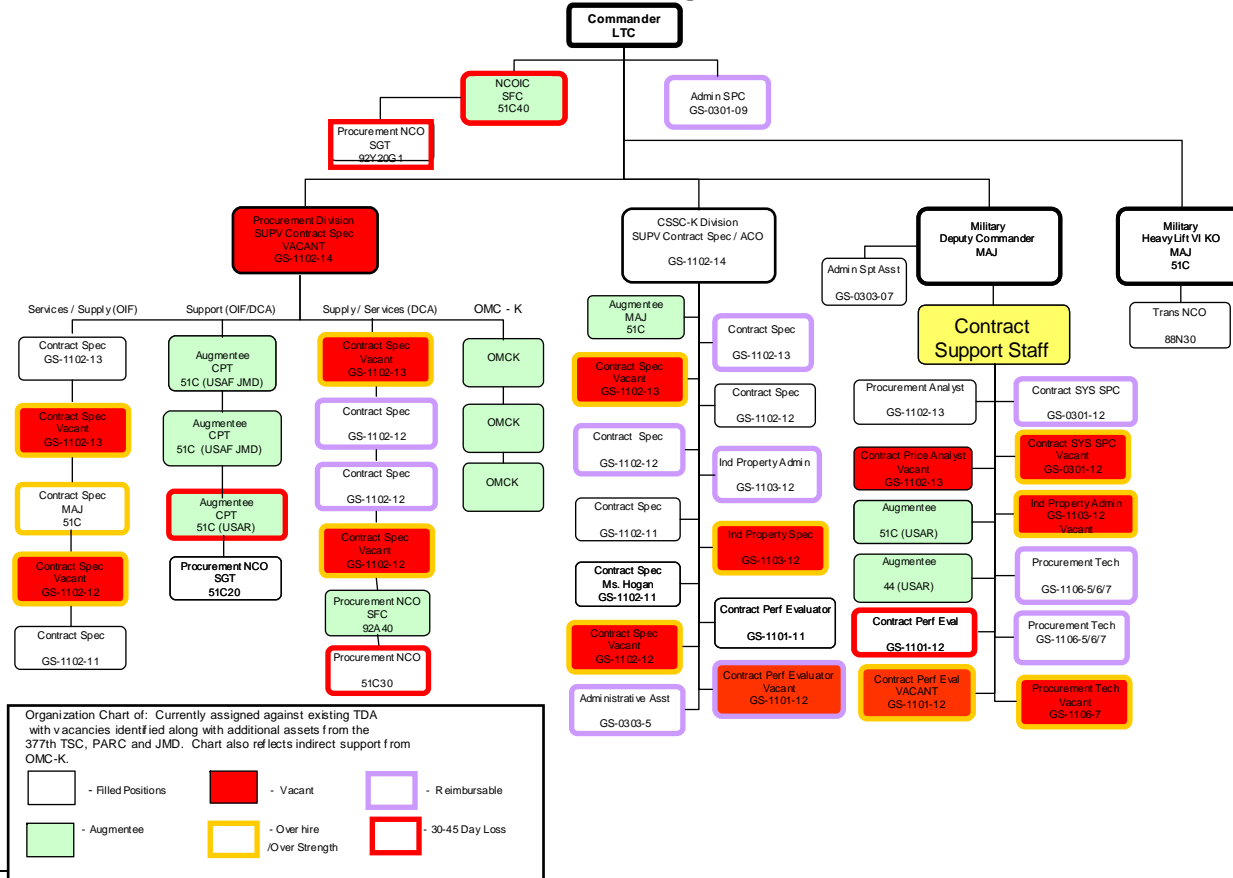
- 1) Procurement;
- 2) Combat Services Support Contract – Kuwait, which oversaw the base operations contracts; and
- 3) Contract Support (overseen by the Deputy Commander; Army O-4).

The Procurement Division consisted of four sub-groupings based on the types of funding used for the requirement (either Operation Iraqi Freedom or Defense Cooperative Agreement) along with the types of items or services being purchased. A separate grouping was established for those supporting U.S. Embassy operations (OMC-K) in Kuwait. Figure 6 is the Organization Chart from February 2007:



Figure 6. Organization Chart<sup>27</sup>

### PERSONNEL Status/Organization Chart



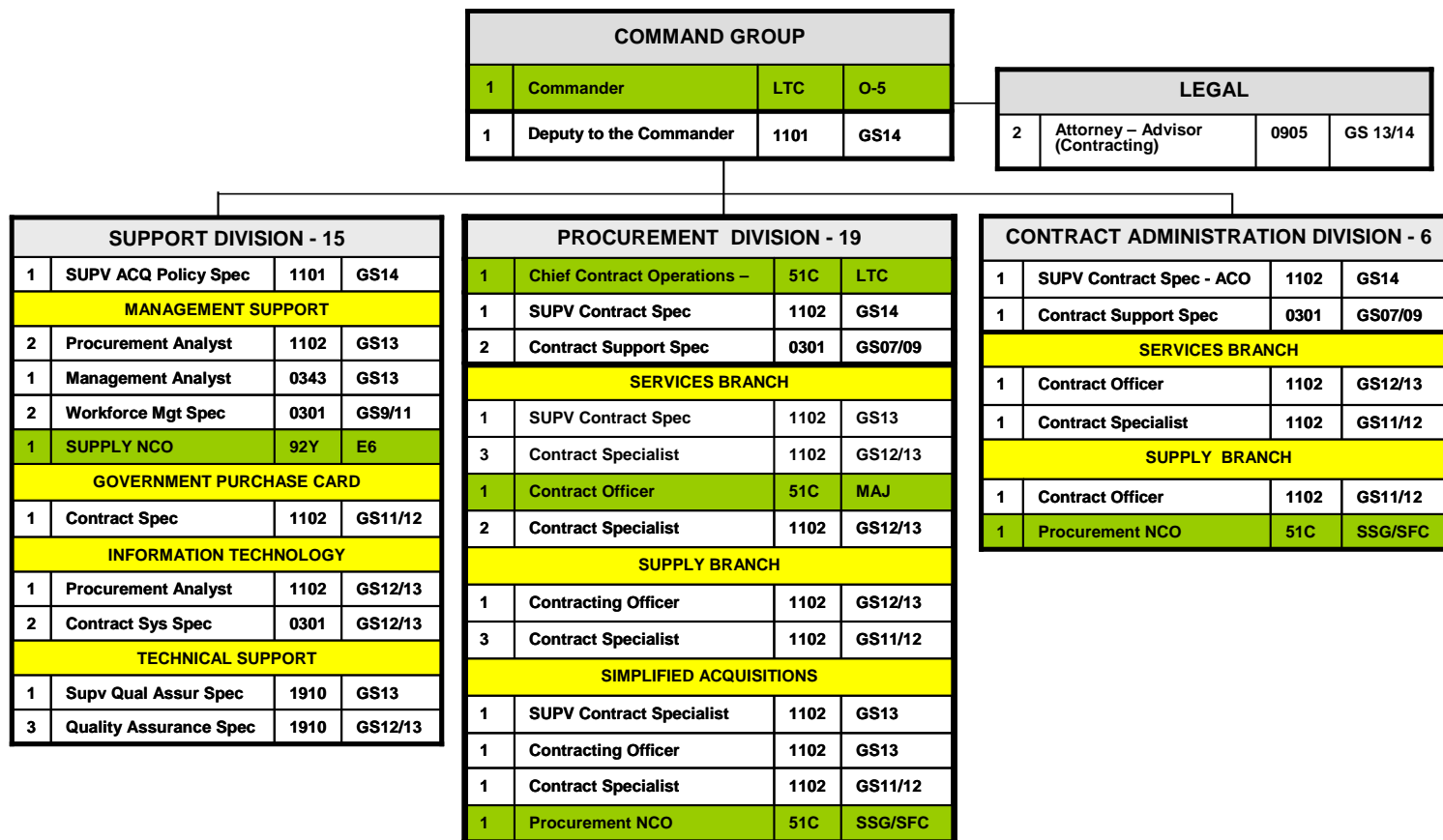
<sup>27</sup> HQDA Contract Operations Review Team In-Brief, ACC-KU, Slide 7, April 9, 2008.

The current commander has proposed a different structure for his command. Three major divisions remain, but they are divided into:

- 1) Procurement Division;
- 2) Support Division; and
- 3) Contract Administration Division

As shown in Figure 7 below, there is also a grouping entitled “Command Group” consisting of the Commander and the Deputy to the Commander. Reporting directly to the group is the legal support staff. Although not shown in the proposed TDA structure below, the Command Group would also include the Navy O-4 currently acting as the Executive Officer. The Support Division no longer includes only contract support. It reflects support for the entire organization as it includes IT personnel, GPC program oversight, the QA functions, and a Supply Non-Commissioned Officer (NCO). Additionally, procurement reviews, data analysis and personnel functions are part of this grouping. The Procurement Division is now subdivided into a service and a supply branch as well as one for simplified acquisitions. A new Contract Administration Division was created to oversee contracts after they are awarded.

Figure 7. Proposed Organization Chart<sup>28</sup>



<sup>28</sup> HQDA Contract Operations Review Team In-Brief, ACC-KU, Slide 8.

Although distinct branches exist for services and supplies, often times work will shift between the branches based on the quantity of requirements being processed, personnel availability, and complexity of the workload. Supplies or services may be a division's primary focus, but the Contract Operations Chief has the latitude to spread the work amongst the available staff integrating their roles. Neither are "stove piped" into procuring only those types of items specifically. However, the Support Division is the opposite. Each branch within the division has its own separate function; therefore, roles are not integrated within the division. For example, those responsible for the GPC program are not usually cross trained in processing personnel actions, they are completely autonomous.

The current command conducts a weekly staff meeting with leadership from each division to discuss the major events from the past week in each of their areas, priorities for the current week, and any issue that may require CSB involvement. This group receives input from their divisions and relays back any pertinent information to their staff.

The hierarchy in the command is reflective of what is typical in most Army contracting organizations. It begins with employees and ends with the commander as outlined below:

1. Employees
2. Team Leader or Contracting Officer
3. Division or Operations Chief
4. Deputy to the Commander
5. Commander

#### **4. Technology**

The *technology* factor in the **throughput** process refers to the workflow in an organization and how it can be described. It includes the activities in the work

flow, any interdependencies among the work units or activities involved in the work flow, and the condition of the physical facilities and equipment used by the organization.

The work flow is somewhat standardized for the organization's basic task of awarding contracts. The customer must provide a thorough description of the item(s) or service(s) requested via a purchase request. Through market research, they may provide make and model numbers of supplies meeting the government's minimum requirements and include its salient characteristics, or a Performance Work Statement indicating what the government's needs. The contracting officer (KO) then determines method of solicitation, e.g., Request for Quote, Request for Proposal, Invitation to Bid or perhaps via an oral solicitation. All methods are allowable in the FAR depending on dollar limits and if supporting contingencies, etc. The next step is to evaluate the responses received by the private sector – via either formal or informal source selection procedures. The contractor best meeting the requirements outlined in the solicitation will then be awarded a contract by a warranted KO. Variations exist in the detailed steps of the acquisition process depending on dollar amount, complexity, solicitation methodology, etc., but the overarching steps of the process remain.

This portion of the acquisition process work flow can be described as having sequential interdependence since the major tasks are done in sequence; meaning one task must be completed before the next can be completed. For example, solicitation cannot be prepared without a requirement from a customer, and a contract cannot be awarded without a solicitation, regardless of method selected. Coordination and communication are necessary to complete the tasks and ensure proper timing of each major step to stay within the acquisition milestones.

The contracting work flow process is automated throughout the Department of Defense with the implementation of the Standard Procurement System. The contract writing portion of the system is called Procurement Desktop Defense, commonly referred to as PD<sup>2</sup>. Solicitations, contract awards,

and associated supporting documents can be created and processed within PD<sup>2</sup>. Additionally, the functionality allows the documents to be converted to Microsoft Word, allowing electronic mail distribution to all parties involved in the process, e.g., Resource Managers, contractors, customers, etc. Access is granted to all necessary command personnel allowing easy workload management for KOs. Workload is easily shifted amongst contracting personnel in the system and allows for tracking of who is assigned the project as well as its status.

PD<sup>2</sup> does not track all information required for leadership of a contracting office to receive a true snapshot of the productivity or health of the organization. By not tracking workload (manually or electronically), leadership was incapable of identifying workload or status of actions in their organization. Contracts were not assigned to individuals for contract administration. Therefore, little to no oversight of contract performance occurred until customers or contractors raised an issue. Therefore, through the hiring of an expert in data management, the organization implemented the use of Microsoft Access as a tool to manage information. Some items tracked are: 1) status of purchase requests/requirements in the command (to include KO responsible); 2) expiring contracts; and 3) appointment of Contracting Officer's Representatives (required for the majority of service contracts to ensure contractor performance is within the terms and conditions of the contract). This information management tool assists leadership by extracting a report to reflect a current snapshot of the workload and productivity of the contract operations portion of the organization.

USACC-KU utilizes the Army's Business Intelligence (BI) system designed to extract data from a variety of existing systems, to include PD<sup>2</sup>, to track productivity. A report is generated every Friday reflecting the number of contract actions completed, their respective dollar amounts, and if the required Contract Action Report (CAR) is completed. Each contract action within DoD is to be reported via a CAR reflecting certain data of interest to higher echelons within the Department. It includes information such as the use of socio-economic programs, actions awarded in support of contingencies, and other acquisition

specific information. The information is extracted from BI gathered by Procurement Analysts, massaged into a format presentable for leadership, and incorporated into formal slides for the PARC staff. A structure for this workflow is outlined in a SOP to ensure consistency in the process.

For USACC-KU, an effective means of communication is essential for ensuring accurate, complete, and timely contracts to ensure the best support for the warfighter. Whether it is telephonic, electronic mail, video teleconference, or facsimile, a method must exist for the unit to be operational. Proper use of technology can improve daily operations, communications, and planning and control of the organization. The command is equipped with the necessary physical equipment to succeed, such as: operational printers, copiers, facsimile machines, document scanners, voice and electronic mail, and Internet access. Internet access can be challenging sometimes based on the tight firewalls and other network protection tools implemented by the information technology personnel at ASG-KU.

USACC-KU is operating from Building T-346 on Camp Arifjan. It is a two-story, temporary structure erected by ASG-KU to house contracting operations for Kuwait (see Figure 8). With the growing size of contract requirements, the number of personnel required to support the workload grew as well. On average, four personnel are squeezed into an area typically designed for no more than two, allowing for approximately two feet between some of the work areas. Division chiefs share a space with non-supervisory personnel, the Executive Officers work in shared spaces with contractor personnel, and Contract Specialists use unoccupied desk space in the attorney-advisor's office area. For some time, the command has also occupied space in Building 216, ASG-KU headquarters. Previously, it consisted of those overseeing the base operations contract and some random other positions. The footprint is shrinking in Building 216 and since December of 2007, a temporary, one-story building (T-344) for the

contracting shop stands a building away from the main office. Building T-344 houses personnel previously sitting in Building 216 and T-346 and was fully occupied by the end of June 2008.

Figure 8. USACC-KU main building (T-346)<sup>29</sup>



Working in a “temporary” structure at Camp Arifjan, includes the lack of indoor plumbing. Two separate temporary structures stand across the street from both buildings T-346 and T-344; the men’s and women’s latrine. These facilities are shared with other organizations, third country nationals working on custodial and base maintenance contracts, and anyone else traveling the road in front of the buildings resulting in a lack of privacy.

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<sup>29</sup> Photograph taken by researcher while serving in Kuwait.



## 5. Processes/Subsystems

The last factor in the *throughputs* portion of the OSF model are the essential *processes or subsystems* in the organization that help manage, control, and run daily operations and plan for effective and efficient long term success. The OSF breaks down the processes into sub-factors of:

- Financial Management, Measurement and Controls – Includes how people are held accountable for resources; describes budgeting, controls, performance measurement, and performance appraisal processes;
- Human Resource Management – Addresses recruitment, selection, retention, termination, and/or retirement; whether the right people are on board; adequacy of training and development; and reward programs; and
- Communication Information Planning and Decision Making Includes planning; how information is gathered, processed and distributed; how the organization communicates and how decisions are made.

### **a. Financial Management**

The majority of financial management for USACC-KU is handled by its higher headquarters. The budget is based on the number of authorized positions in the TDA along with a certain amount per person for basic supplies and travel needs. Due to the mission and geographical location of the command, various monies fund the command: Global War On Terrorism (GWOT), Operation Iraqi Freedom, Operation Enduring Freedom, and Defense Cooperative Agreement (agreement signed between the Kuwaiti and American governments at the end of the first gulf war for mutual assistance).<sup>30</sup> Since Kuwait contracting became a top priority for the Secretary of the Army (based on its past fraud and corruption), the command has not experienced problems when requesting additional funds for overhires, augmentees, or contractor support personnel. All resources are used in an effort to eliminate fraud, improve the effectiveness and efficiency of the command.

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<sup>30</sup> Information gained by researcher in discussions with USACC-KU leadership.

Performance of the organization can be measured by the number of actions processed in PD<sup>2</sup> for specific periods. The aforementioned BI system will extract actions and dollar amounts of those actions and import into an Excel format allowing for data to be manipulated and analyzed. Typically, this is the type of metrics gathered when assessing the production in a contracting organization. However, this data does not reflect all workload performed by the organization. Information on contract administration, document reviews, customer assistance, policy development, market research, GPC accounts created, etc., is not included in the data extraction tool. Therefore, the data being captured by the command is only one of many performance metrics involved in a contracting organization.

***b. Human Resource (HR) Management***

Personnel management is an essential, valuable, and expensive resource to manage for the organization. HR processes and procedures outlined in federal, DoD, and Department of the Army (DA) personnel rules and regulations assist in management of this resource. USACC-KU organizational structure includes a Workforce Management Specialist responsible for the processing of required information and paperwork to recruit and select its civilian personnel. However, the staffing strategy and planning remain in the hands of management.

As mentioned previously, the command is comprised of a mix of personnel, e.g., military, contractor personnel, and the majority being Department of the Army civilian employees. Recruitment, selection, and retention of each type of employee are distinctly different. The Office of Personnel Management and the Army Civilian Personnel System rules, procedures, and regulations govern the recruitment of Army Civilian Corps members. USACC-KU follows the established personnel guidelines when selecting or promoting personnel.

Incentives are offered to attract qualified personnel to work in Kuwait. As mentioned in the design sub-factor ***People*** outlined above, several

other monetary benefits are included in entitlement packages. They are in line with State Department entitlements for the area: 1) Danger Pay & Post Differential at fifteen percent of base pay; 2) Post Allowance at twenty percent; 3) Separate Maintenance Allowance that can range from \$4,300 to \$17,700 based on the amount of dependants; and 4) the opportunity to work plenty of overtime hours substantially impacting one's paycheck. As previously mentioned, several other non-monetary benefits are included for those accepting a permanent position (via a PCS). They range from a government provided vehicle and gasoline to free meals at the military dining facilities.

Military personnel are assigned by branch managers, if filling a PSC position, or through the Worldwide Individual Augmentation System (WIAS) for TDY assignments at USACC-KU. The commander receives a copy of the soldier's Officer or Enlisted Record Brief and will approve or disapprove their selection. Aside from the traditional hiring process for permanent positions, WIAS is the primary method for requesting military and civilian augmentation for contingency operations, recurring operations and exercises. WIAS is a web-based information system providing real-time information on current Army-wide Individual Augmentee (IA) requirements as well as the deployment status of personnel assigned to those requirements. The process consists of the following steps:

1. Combatant command tasks component to fill a validated requirement.
2. The Army component commander first attempts to source the requirement using internal assets.
3. When the Army component command determines that the requirement cannot be filled using internal assets, the requirement is passed back to HQDA.
4. HQDA analyzes the requirement and tasks the appropriate Major Army Command (MACOM) for fill.
5. MACOM fills the requirement or reclaims the tasking to HQDA.
6. In the event of a reclama, HQDA will task another MACOM or request

7. Joint Staff assistance to fill the requirement. Submission of a reclama for consideration does not constitute relief from the requirement. Once levied, the MACOM will continue to fill the position until officially relieved by HQDA.
8. Civilian employees will be returned to their permanent jobs of record upon completion of their contingency assignments, unless the tasked MACOM and the employee mutually agree to other placement following the assignment.

Although the Army has authority to mandate augmentations in support of contingencies, civilian employees may volunteer for Detail, Temporary Reassignment, or Temporary Promotion into positions that support contingency operations. These positions will typically be of six months to one year in length with all expenses funded by the gaining command. At the end of the assignment, employees will return to their permanent job of record. The gaining and losing commands, with the employee's consent, can agree to a longer assignment or other placement of the employee following the assignment.<sup>31</sup>

Many of the positions in the command filled with uniformed Army personnel are done so using WAIS. The majority experience a 12 month deployment they may not have necessary volunteered for as inferred above. As mentioned when discussing the **People** sub-factor, the command also has JMD slots filled by military personnel other than Army. Usually, these deployments are six months in length. Contractor employees are recruited and selected by the contractor's human resources department. According to the terms and conditions in the contract, the only role the government plays in their selection is approving "key personnel" which is the on-site manager. Aside from that position, the government is to rely on the experience and qualification criteria they included in the Performance Work Statement. Unofficially, the command's management requested that those on the ground in Kuwait during the "corrupt" years, not be sent back to the region. The contractor continues to oblige the request.

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<sup>31</sup> Department of the Army Memorandum, Office of the Deputy Chief of Staff, G-1, subj: Worldwide Individual Augmentation System (WIAS), September 4, 2002.

As part of retention efforts, permanent party civilian personnel (those in Kuwait under Permanent Change of Station orders) usually receive an incentive award that is approximately twenty percent of their base pay. They must agree to stay with the command for a minimum of one year. If they later decide to return to their previous job or accept a position elsewhere, they would need to pay back the bonus. Upon completion of a year, either the employee or the command may request an extension, but neither party is obligated. The incentive package mentioned above may invite many to accept a position, but these benefits may motivate several to continue to work in the command beyond their initial commitment assisting with retention.

There is no need for a retention plan in the command for military members since their personnel system is controlling their assignments. Additionally, the government cannot influence retention for contractor employees. However, according to contract documents, contract employees are offered a significant retention bonus for completing one year in Kuwait. USACC-KU experiences a high turn over rate in personnel predominately based on its geographic location. As of April 2008, the manning reflected a 48 percent vacancy rate of the TDA positions as indicated in Figure 9 below:

Figure 9. Staffing as of April 2008<sup>32</sup>

	TDA	ON BOARD
Military	6	2
Dept of Army Civilians	38	21
Total	44	23

Promotions are primarily achieved through the same competitive process utilized for new hires. All qualified applicants apply via an on-line civilian personnel system. Job announcements are posted for a specified period of time

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<sup>32</sup> HQDA Contract Operations Review Team In-Brief, ACC-KU, Slide 17.

inclusive of closing deadlines for applying. Applicants meeting the predetermined qualifications are referred from CPAC to the selecting official at USACC-KU, usually the commander or deputy. Resumes are reviewed and placed into a competitive range to conduct interviews. Normally, the commander, deputy, and Deputy PARC conduct the interviews and make the selections. Again, generally, the same process is followed for both new hires and promotions. However, in the second quarter of FY 2008, the civilian personnel positions converted from a General Schedule pay scale to the National Security Personnel System (NSPS). This change impacts several facets of the personnel system to include promotions. Instead of filling a position at a certain grade, it is a pay range. This allows managers to move personnel around more freely within the range to meet the needs of the organization without waiting for the lengthy steps in the traditional personnel system to take place. Therefore, some promotions may now be possibly filled without the competitive process.

Included with the change to NSPS is the performance appraisal process. The system is designed to increase effectiveness through a personnel management system that improves the way it hires and assigns, as well as compensates and rewards its employees by recruiting and motivating a high-performance workforce with a truly merit based performance appraisal system. The evaluation system requires more documentation from the employee as well as the raters to substantiate the outcome. Each command receives a “pay pool” from which annual appraisal funds are divided into shares. An assigned board reviews appraisals and determines the amount of shares and increase in base pay for each employee in the pool. NSPS is complex system that could be discussed much further in detail; however, it is not necessary for the purpose of this project. The overarching point is the performance appraisal process is regulated and new at USACC-KU. NSPS only applies to civilian personnel.

The military appraisal system is adhered to at USACC-KU for all military personnel in the command. Evaluation reports are required before military members leave the command. Contractor support personnel are

evaluated by their leadership with little input on their performance from the government. Those civilian personnel with the command under TDY or TCS status traditionally receive their annual appraisals at their home station with appraisal input from USACC-KU leadership.

Training and career development is the next sub-factor in HR Management. Operating in a contingency environment may not allow for time to develop and train employees. However, USACC-KU established a training plan requiring biweekly training to be conducted every other Friday. Topics vary based on the organization's needs and are conducted from thirty to ninety minutes in length. Training responsibility rotates amongst division chiefs, procurement analysts, attorney-advisors, and others depending on topic and local expertise. While the researcher was working in the command, on-site training was provided by Defense Acquisition University for two acquisition topics: Simplified Acquisition Procedures and Source Selection. This is not a regular occurrence due to the cost and effectiveness of the training given the location.

The final sub-factor in HR Management is the rewards program, opportunities for advancement, compensation packages, and recognition. The majority of these are covered in other portions of this description of USACC-KU. To recap: Basic compensation packages include increases in base pay for working in a declared combat zone, non-monetary benefits such as using government leased vehicles, fuel, and government leased apartments at no cost, and having meals provided at the government dining facilities for little or no fee.

Bonuses are offered for PCS civilian personnel as an incentive to accept a position and commit to staying in Kuwait for one year. Civilian employees under TDY or TCS orders may receive bonuses upon completion depending on length of service and performance. Based on the structure of the organization and one's current position, opportunities for advancement exist in the organization. Even if it is not an advancement in rank or grade, a civilian employee can advance from serving in a contract specialist position to that of a

contracting officer. The major difference between the two is the increased responsibility. Only the contracting officer can sign contract award documents obligating the government to the terms and conditions outlined in the contract.

A formal awards program does not exist at USACC-KU nor are there defined standards for awards issued by the command; however, both monetary and non-monetary awards are distributed to military and civilian personnel. For the military, various levels of achievement medals, depending on the accomplishments of the individual, are awarded. Often times they are accompanied with Certificates of Appreciation from the commander. Civilians usually receive a Certificate of Appreciation along with a monetary incentive award after returning to home station.

***c. Communication Information Planning and Decision Making***

It is common knowledge that effective communication at all levels is essential to an organization's success. With the pace of working in a contingency environment, communication increases in importance, but may be inadequate due to time pressures. USACC-KU leadership communicates through electronic mail and occasional "all hands" meetings. Regular weekly staff meetings are held to maintain consistent communication between mid and senior management. Occasionally, information discussed will be shared with those in the divisions, but not on a consistent basis. Weekly meetings are conducted with contract operations personnel and resource managers outside of the organization to better assist in managing contract actions.

Field Manual 101-5, Staff Organizations and Operations, governs how Army staffs plan. USACC-KU did not follow any formal planning process. The command operates in a reactive rather than proactive manner. The same is true of decision-making: no formal process to inform the commander, provide analysis and present courses of action is practiced. The Military Decision Making Process (MDMP) is defined, step-by-step, in FM101-5. The MDMP was not



utilized at USACC-KU. Decisions were made without supporting, formal analysis. When problems arose and a command decision was required, it took weeks to get a decision from the commander.

## C. RESULTS

The results portion of the OSF model include the organization's culture, outputs, and outcomes.

### 1. Culture

By applying the OSF model, the **throughput** or design factors, e.g., tasks, technology, structure, people, and processes, were used to describe the organization under study, USACC-KU. The next portion of the model involves the **culture** of the organization. Culture is "a pattern of beliefs and expectations shared by the organization's members. These beliefs and expectations produce norms that shape the behavior of individuals and groups."<sup>33</sup> Social norms are defined as "the rules that a group uses for appropriate and inappropriate values, beliefs, attitudes and behaviors."<sup>34</sup> Values are those characteristics of an organization held highly by its members. USACC-KU values and norms are expanded below.

Conducting daily operations in a transparent, ethical manner is the governing norm at USACC-KU. While none of the current employees worked with MAJ Cockerham in 2005, several were assigned to the command and met with the Secretary of the Army during his September 2007 visit. His message was loud and clear: ethical behavior is the cornerstone of rebuilding the reputation of USACC-KU and Army Contracting in general. The commander emphasizes ethical behavior at every opportunity. New arrivals receive a briefing on acquisition specific ethics and are retrained quarterly. Contracting officers

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<sup>33</sup> Excerpted from Charles O'Reilly, "Corporations, Culture, and Commitment: Motivation and Social Control in Organizations," *California Management Review*, Vol. 31, No. 4, 1989, 289.

<sup>34</sup> Wikipedia, [http://en.wikipedia.org/wiki/Norm\\_\(sociology\)](http://en.wikipedia.org/wiki/Norm_(sociology)).

thoroughly document the procurement process in contracting files demonstrating their fair and unbiased contract awards. This norm is realized in the values and behaviors of the organization.

USACC-KU members value contribution to rebuilding the command and restoring the command's reputation. The commander and managers value those who contribute for obvious reasons. Employees also value those who contribute. They value their peers who work harder than others at rebuilding the command. This was often demonstrated when groups left the building for lunch or dinner at the dining facility. High performers invite other high performers to join them, while not specifically inviting those who seem to contribute to a lesser degree. Contracting expertise is also valued. A group of individuals with a high level of performance and contracting expertise resulted in an informal pattern of interaction at USACC-KU.

As previously mentioned, there appeared to be little planning or strategy at USACC-KU. An informal pattern of interaction filled the gap. Those who performed and held contracting expertise formed a subculture at USACC-KU. This group of contracting officers, an attorney and a procurement analyst identified problems, analyzed possible courses of action and then engaged the commander for his approval of a solution to solve problems or develop acquisition strategies. Skipping middle management in the chain of command is not the method prescribed in FM101-5, but actual behaviors which emerged over time.

Other subcultures existed at USACC-KU. One was known as the Texas Trio: three members of Defense Contract Management Agency, Dallas, who all volunteered to serve in Kuwait for one year. Military officers have a unique culture which was prevalent at USACC-KU. The commander occasionally conducted Officer Professional Development at his home. This bonding time solidified the officer subculture. The civilian employees who lived on the economy (off of Camp Arifjan) and those in TDY status that resided on camp represented two subcultures of Army civilians. Those off base often socialized

during their limited time off work and experienced the local culture by visiting malls, eating at local restaurants, etc. TDY personnel were only able to leave base for official business, with the commander's approval. The access to the local community, different living conditions and privileges contributed to the subculture formation. The contracted employees were a subculture based on their professional similarities — most were former U.S. Air Force — but also their inability to perform certain functions that were “government only.” Additionally, they shared vehicles and housing (no more than two per unit) and all worked the same schedule. These subcultures resulted in occasional conflicts.

Working in austere conditions at a high operational tempo, in a contingency environment, for eight to fifteen hours a day, six days a week, increases the potential for conflicts. One instance of this was a conflict between an attorney and a contracting officer/team leader that occurred late at night when most had left for the day. A verbal altercation resulted when, during a review, the attorney questioned the contracting officer's approach and the contracting officer verbalized his contempt for the attorney's lack of simplified acquisition experience. Since one party was a military officer, it was raised to the military commander to resolve. He did so quickly, via written counseling of both individuals. The two apologized and the conflict was resolved.

For civilians, the majority of conflicts were addressed by the Deputy to the Commander (GS-14 position). Whether they were raised to an immediate supervisor initially or directly presented to the deputy, they ended up in his office for resolution. Regardless of whether the commander or his deputy handled the conflict, it was resolved quickly as the organization appeared to focus on its mission.

## **2. Outputs**

Outputs of a system are the goods and/or services produced by the organization. It is important in the application of the OSF model to recognize how the outputs are measured and to identify the indicators of performance. The

**outputs** for USACC-KU include assistance in defining the customer's requirements, business advisory services, e.g., acquisition planning, GPC program management, COR support, etc., and awarding and monitoring contracts for the goods and services necessary to sustain the primary logistics hub supporting OIF. The outputs may be measured by the amount of time it takes to award a contract action – from the receipt of the purchase request (or requirement) to the signing of a contract award. The number of actions and their dollar values are additional metrics of performance for USACC-KU. These are used by the command to determine staffing needs, productivity, and effectiveness of the organization. The quality of contracts written and administered is difficult to measure, but directly impact the warfighter and those providing support. If performance lapses or if the items or services provided do not meet the customer's requirements, the contracting office has failed to meet its mission and the warfighter suffers.

USACC-KU's primary measurement of performance for the GPC program, are the number of accounts (both Billing Official and Cardholder), amount delinquent, and the number of audits conducted. In August 2007, USACC-KU supported 377 accounts. Of those, eight inspections were complete and delinquencies totaled almost \$800,000. These measurements prompted the command reassign different personnel into the A/OPC position and take action. By decreasing the number of accounts to a manageable amount for the program staffing (192 accounts), and changing the inspection method from hands-on to electronic, the outputs improved for the command. By March 2008, 100% of all accounts were audited and the delinquencies totaled just over \$4,000. The outputs of the system caused management to refocus their efforts to the GPC program ensuring improved outputs for its customers.

Post-award functions, referred to as contract administration, were virtually non-existent. With the high personnel turn over rates, a workload that far outweighed the capabilities of the staff, and no tracking mechanism in place, oversight of the contractor's performance or delivery suffered. COR's are

nominated by the customer's organization to provide technical oversight of contractor performance and verify acceptance and completion of delivered items or services. Some contracts had assigned CORs; some officially appointed and others merely performing the role with little formal training or experience. This shortcoming in contract management was identified in expeditionary contracting across the region in the "Gansler Report" submitted to the Secretary of the Army in the fall of 2007.

USACC-KU took a proactive step by developing a comprehensive COR training program to improve and enhance contract oversight. The Quality Assurance Representatives (QAR) provide a three-day class covering 14 subject areas. Training includes some practical exercises, group presentations, and an exam at the end of the course.<sup>35</sup> On-the job technical assistance is then provided by the QARs. They assist with COR file and documentation preparation and walking through the process on-site with the COR. After three to four weeks of appointment, a performance assessment is conducted by the QAR to ensure adequate COR and contractor performance.<sup>36</sup> Providing this level of training and support from USACC-KU, ensures proper contract management by the customer. With the imbalance of workload and contracting personnel, reliance on COR oversight is imperative. The success of this program spread throughout Kuwait and personnel at Joint Contracting Command Iraq/Afghanistan are considering implementing a similar program for their customers. In January 2008, an article was posted on the Army web page regarding this new program and the annual savings to the Army gaining by two properly trained CORs in Kuwait. Brigadier General James Hodge, U.S. Army Materiel Command (Forward) commanding general, was quoted emphasizing CORs are "...true stewards of the taxpayer's money and [an] integral to the mission." Additionally, he stated, "With the increase in contractor support to our deployed forces, the

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<sup>35</sup> USARCENT Slide 11.

<sup>36</sup> Ibid., Slide 21.

COR performs a vital role in the support of the war effort.” Recognizing the need for improved COR training and performance, increases the quality of contract administration at USACC-KU.

Indicators of performance or **outputs** of USACC-KU are reflected in a variety of ways depending on the function. For contract support, it includes the quality of the written contracts and customer satisfaction – whether the soldiers, sailors, airmen, and marines receiving the items or services requested, when and where needed, at the level or quantity required. GPC program performance is determined by the amount of account inspections and delinquencies and the support provided to program participants.

### **3. Outcomes**

Outcomes are the intended and unintended consequences of the outputs for the stakeholders to include how they are viewed. USACC-KU stakeholders include: 1) taxpayers; 2) supported units commonly referred to as “warfighters;” 3) USACC-KU members and their chain of command; and 4) contractors. USACC-KU outputs impact each group of stakeholders differently. Taxpayers are affected by the amount of dollars utilized for contracted goods and services. If USACC-KU releases poor outputs/contracts, contract pricing may be inflated due to poor negotiations for example. An unintended consequence is the waste or misuse of taxpayers’ dollars. When/if this occurs and the taxpayers become aware of the situation; the American public loses confidence in Army acquisition capabilities.

Warfighters are the primary customer of USACC-KU. They are directly impacted by the quality of goods and services received via the procurement process. If the contract is not written to adequately meet their requirement, their mission is impaired and their trust in USACC-KU is impacted. If contract administration is poor and service contracts are allowed to lapse without a replacement contract, warfighters may go without support or the contractor may perform without a contract being in place. Contract lapses occurred frequently in

USACC-KU until the start of FY08. While service lapses were not life threatening, operating without life support services, such as bulk water delivery, directly impact mission accomplishment and customer satisfaction. Their satisfaction is imperative to the command and the Army.

The outcomes for USACC-KU staff members include continued employment and job satisfaction. Job satisfaction is a fluctuating, measurable consequence of the USACC-KU system. High job satisfaction leads to better retention and eases the recruitment needs of the organization. This was not the case at USACC-KU: job satisfaction was low, retention was difficult and recruiting was extremely difficult.

Contractors awarded contracts by USACC-KU are impacted financially by the outputs. How USACC-KU conducts business, particularly if it is ethical or not, has a direct impact on contractors. Fraud was a high visibility unintended consequence of contracting in Kuwait in 2005 (and possibly 2006). Contractors noted the ethical behavior and conduct of business in 2007 and 2008. On at least two occasions, contractors thanked members of USACC-KU for treating all contractors equitably and returning fairness to the contracting process.

The outcomes of the USACC-KU system are measured by the support provided to its stakeholders; primarily the warfighters. Customer satisfaction was low for several years. Inadequate contracts and lack of oversight assistance contributed to the problem. Customers were unable to gain access to the Contracting Officers working their requirements. Instances occurred where telephone calls were unanswered and the customer access door at USACC-KU was locked before 1630 hours.<sup>37</sup> Limited duty hours normally do not exist in a contingency environment for an organization supporting wartime operations.

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<sup>37</sup> Information gained from discussions between the researcher and anonymous personnel employed by USACC-KU.

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#### IV. SURVEY DATA

Twenty-three current and prior USACC-KU personnel completed a survey (located at Attachment 1); 14 employees, seven middle managers and two senior managers. Neither the commander, nor his deputy responded. Interestingly, no contractors elected to respond although several were asked to participate. A summary of respondents' educational levels is provided below.

Figure 10. Education level of survey respondents<sup>38</sup>

Education Level	Number Of Respondents
High School Diploma	2
Bachelor's	4
Master's Courses	6
Master's	10
Law Degree	1

The mix of respondents included Army, Navy and Air Force military service members and DA Civilian employees. Among the service members responding, the average experience in contracting was 6.75 years. Responding civilians held nearly double the experience of their military co-workers with, on average, 13.14 years of experience.

The length of time spent in USACC-KU at the time of responding was 8.44 months on average. This amount of time seems sufficient to formulate an assessment of USACC-KU. Respondents average experience and education levels suggest they are well informed to provide reliable responses to the survey questions. The number of respondents is not statistically significant at 23 and therefore the survey results have limited generalizability. Survey results

considered in combination with the eight months of daily observations by the researcher formulate the basis of the conclusions related in the analysis portion of the thesis.

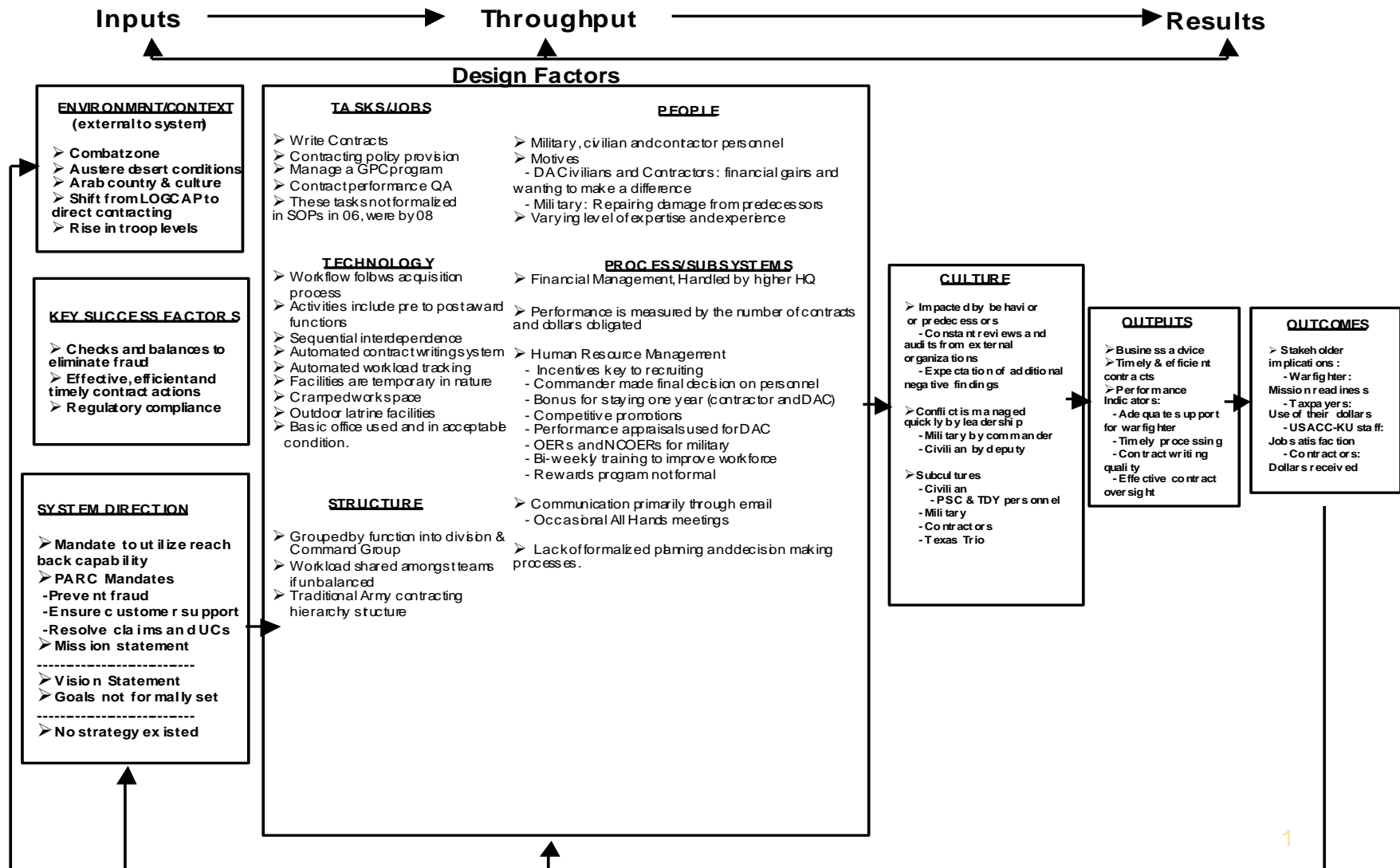
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<sup>38</sup> Data compiled from survey responses.

## **V. ANALYSIS**

This chapter examines relative congruencies among OSF variables. The overarching hypothesis of the systems model is that the “fit” of the variables determines performance including intended and unintended consequences of the outputs. The researcher’s observations are used to inform the conclusions and recommendations, including data from the survey and interview discussions. The format of the analysis follows the format of the OSF, beginning with the inputs and ending with the results. The OSF has now been populated with USACC-KU variables as shown in Figure 11.

Figure 11. OSF With USACC-KU Variables



## A. INPUTS

### 1. Environment

The external environment in which USACC-KU functions, the harsh desert surrounding, being in a war zone and interacting with the Arab culture of Kuwait in particular, is not a good fit for a typical CONUS contracting organization. Desert temperatures and dust keep people inside. Living in a war zone restricts personal freedom to travel. None of the members of USACC-KU are Arab making them obvious standouts anytime they attempt to travel or conduct business in Kuwait City. The external environment resulted in workers who would “...drive to work and work all day, then drive home and never leave their apartments.”<sup>39</sup> One employee described the situation in a single word on his survey, “confining.”<sup>40</sup> In fact, Camp Arifjan, where USACC-KU is located, is commonly referred to as Camp “Arifjail.”

A recommendation is for USACC-KU leadership to attempt to alleviate the confining feeling of this environment. Doing so, based on all observation and survey results, could markedly improve morale productivity. Although not easy to orchestrate, if the command organized events bringing members into greater contact with the Arab and Kuwait community, over time, the gap between cultures may lessen, and employees would be markedly stimulated through some experience with the local culture. The 3rd Army Commander authorizes MWR trips in Kuwait, but the command could find ways to enrich and further support these important work breaks. Qatar offers a four-day pass rest and recuperation site for soldiers from Kuwait, and there are other locations geared towards alleviating the persistent restlessness associated with confined personnel. This program was used only one time by two individuals during the time the researcher was assigned to USACC-KU. Their participation in the Qatar

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<sup>39</sup> Survey response from Anonymous Source #13, Employee.

<sup>40</sup> Ibid., #14.

program was ordered by the BDE CDR and supported by USACC-KU leadership. The point is that this program could be embellished and leveraged to ensure employees have a vehicle to enrich their overseas experience. Purposeful contact with the local culture would also appear to be part of a recipe for winning hearts and minds and improving overall performance.

## **2. Key Success Factors**

Of all the USACC-KU key success factors, the most important may be the careful selection of deployed personnel. Each employee could be vetted to ensure a better fit with the difficult environmental conditions and with the internal skill requirements need to execute Simplified Acquisition Procedures (SAP) to award contracts complying with applicable procurement regulations. It is possible to ensure that participating employees are informed, capable, trained and rewarded for working extended hours in an austere environment. A misfit between personnel and the conditions described throughout this study would predict degraded performance. In January 2008, the USACC-KU hired an attorney-advisor who had no experience with SAP contracting. In May 2008, a Procurement Analyst with no SAP exposure was hired. These are two critical personnel who make up two of the three layers of contract review for most SAP contracts. The impact of the hiring problem was recognized by a survey respondent who said, *"It was my impression that the work force spent more man hours fixing problems created by inexperienced personnel..."*<sup>41</sup> than on normal effort. Interviewed employees, and middle and senior managers almost all indicated that more qualified personnel are needed for the command to be successful. Therefore, leadership attention at the crucial nexus of hiring and deploying civilian specialists could yield dramatic improvements in generating intended results. Existing hiring incentives can be strengthened and designed to attract and retain the right people. One survey respondent stated, "TDY

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<sup>41</sup> Survey response from Anonymous Source #6, Middle Management.

personnel [are] promised cash awards, [but they are] not given...”.<sup>42</sup> Whether real or perceived, this statement summarizes the existing gap and inattention to this important detail. USACC-KU can request support and command emphasis from the newly formed Army Contracting Command, Expeditionary Contracting Command and Mission and Installation Contracting Command to assist them in managing the process of selecting “the right people” in Kuwait. All of these commands are headed by General Officer’s or civilian equivalents that come in contact with and influence many people daily. USACC-KU could develop and execute a recruiting road show. They could visit other contracting offices and discuss lessons learned regarding “rebuilding” USACC-KU. If personnel do not better fit the environment in which they work, degraded performance can be anticipated.

### **3. System Direction**

The USACC-KU lacked strategic direction, goals and strategies. Reacting to events and operating based on the hot issue of the day set by the PARC or the commander translates into low leverage. There was a misfit between the crucial variable of planning and daily operations, leading to an ad hoc method of governance. One employee stated, “*Command direction was determined on a day to day basis in accordance with the emergency of the day and [was] communicated via email and hey you meetings.*”<sup>43</sup> Another employee stated, “*It appeared the direction was changing almost daily, depending upon who was looking at the command from above.*”<sup>44</sup> A third employee indicated, “*The command knew what needed to be done but did not know how or where to start. This led to confusion among the rank and file, one question and ten different*

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<sup>42</sup> Survey response from Anonymous Source #9, Employee.

<sup>43</sup> Ibid., #2.

<sup>44</sup> Ibid., #1.

answers.”<sup>45</sup> Middle management agreed, “*My experience has shown that the directions are scattered. Almost equivalent to watching a moth in a jar and trying to predict his next move.*”<sup>46</sup>

To rectify the planning gap, a recommendation is to have a team of managers and employees develop goals to which they can relate and be committed to, including the use of milestones and performance metrics. The planning process and deliverables can then be communicated throughout the command increasing the probability of goals accomplishment. Although reacting to expected disruptions and contingencies is a normal part of the job, leader-led planning and employee involvement are needed to close this crucial gap. Goals can definitely be used both to guide and motivate performance, including process to reward accomplishment.

## **B. THROUGHPUTS**

The next element of the OSF model are the design factors or the **throughputs** (tasks/jobs, people, technology, structure, and processes/subsystems). Each of this is discussed below.

### **1. Tasks**

The task of developing and documenting SOPs was recognized as critical to the success of USACC-KU in 2007. An organization with high personnel turn over definitely requires complete, updated and documented processes and standards. In response to the question “To be successful, USACC-KU needs...”, one mid-level manager said, “*Established procedures for the process of contract award. Command is making a lot of progress in this area.*”<sup>47</sup> With two Procurement Analysts (PA) working in the Support Division, the command could dedicate one individual to writing policy and procedures for the command. Upon

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<sup>45</sup> Survey response from Anonymous Source #6, Employee.

<sup>46</sup> Ibid., #7, Middle Management.

<sup>47</sup> Ibid., #4.



approval and release of a policy document, the PA could then conduct required training to ensure consistency with published procedures. Training is an important variable which again must fit the environment to achieve desired results. Therefore, the training can be designed and supported such that employees view it as a positive aspect of their jobs, not as punishment. Meaningful, professional training can serve the dual purpose of providing another means whereby interacting employees can better cope with their austere working environment. Once performance metric could include random sampling of contract actions below the review threshold to ensure implementation and consistency across the command.

## **2. People**

Maximizing the individual potential of employees is linked to knowing what motivates them. According to the responses received from employee surveys, the most common motivator at USACC-KU is contributing to the war on terrorism. According to an article on motivation at the work place, "Motivation reaches a peak when your personal goals and mission align with the specific demands of your work and the objectives of your organization....You see concrete results. You feel a strong sense of inner purpose. This is what true motivation feels like and it can come only from within."<sup>48</sup> The command can leverage employees desires to contribute to the war on terrorism as a motivational tool. This could be achieved by developing a meaningful reward system whereby outstanding employees are recognized for their accomplishments in supporting the war effort. A photo of a happy employee being recognized can go a long way, i.e., intrinsic motivation matters. In 2008 a KO awarded a contract for steel to armor vehicles used in convoys going in and out of Iraq in an abbreviated fashion by pre-qualifying offerors. He accompanied the customer to the steel provider facilities and guided the certifications. The KO then quickly executed the solicitation and

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<sup>48</sup> Anne Smith and Gordon Cul, "Motivation: What Works, What Doesn't," [www.coxegroup.com/articles/motivation.html](http://www.coxegroup.com/articles/motivation.html), accessed September 17, 2008.

made an effective, compliant contract award. This is an example of an action worthy of special recognition by a systematic program.

Additionally, linking what USACC-KU does to concrete results may increase motivation. Leadership could arrange a tour of the 3<sup>rd</sup> Army tactical operations center located on Camp Arifjan. This impressive facility with two story walls of computer monitors and televisions with real time video from across Iraq and Kuwait is impressive and motivating. USACC-KU bought these screens and provides replacement parts on an on going basis via contract. Another opportunity on Camp Arifjan relatively easy to coordinate would be a tour of HMMWVs used during convoy escorts, accompanied by a meal with the soldiers who drive them. USACC-KU contracts for the soldier's food preparation, showers, living quarter maintenance and even the water they drink. These efforts to energize a sense of purpose and patriotism could be powerful motivators which could yield marked improvements in performance.

### **3. Structure**

The proposed structure in Figure 6 above is similar to Army contracting offices in the late 1990s. Having a separate Procurement and Contract Administration Division (a.k.a. Pre and Post-award) is no longer the norm. Most contracting offices transitioned to "cradle to grave" contracting where an individual or team is responsible for the entire process, e.g., from purchase request to contract closeout. This promotes the use of contracting personnel as business advisors for their customers. Relationships are established during the development of the requirement through the solicitation phase and on to final delivery or performance completion of the contract. It enhances the contract professional's familiarity and understanding of the item or service being purchased. Once awarded, the same individual or team continues by administering or overseeing the contract to ensure adherence to the terms and

conditions of the contract they wrote. Seeing a contract to completion creates a sense of ownership, once again leveraging an intrinsic factor to attain enriched performance.

Keeping the award and administration functions separate results in an “us versus them” mentality within an organization. Procurement Division (Preaward) personnel thought regardless of what they did, the Contract Administration Division (Postaward) would modify the contract to correct any deficiencies, so preaward personnel sometimes became less attentive to detail. Likewise, the postaward team determined they had to fix or modify the contract upon receipt due to the inabilities of the preaward personnel.

When the researcher departed USACC-KU, the divisions were not operating as proposed. Contract Administration Division members were not administering contracts. Instead, they were processing claims and unauthorized commitments, handling some contract payment issues between the vendor and the finance office (regarding old contract actions), conducting training, and closing out contracts awarded long ago or by criminal contracting officers. Contract administration does include vendor pay problems and contract closeout, but many other functions are necessary to oversee contract performance. The Contract Administration Division was functioning as problem solvers, not as a true administration division.

The recommendation is to structure the command to fit with the modern “cradle to grave” contracting methodology. This is especially important in a contingency environment with a high turnover rate in personnel. Teams could be assigned contracts which are tracked via the existing Access database ensuring greater accountability for all actions.

#### **4. Technology**

A key element of this design factor for USACC-KU is the condition of the inadequate condition of physical facilities and equipment. The building housing

USACC-KU was too small for the amount of personnel working in the command during the 2007 – 2008 timeframe. Small work areas are often shared by four individuals, middle managers share office space with employees and contractors, and some staff members work in buildings in separate locations. Cramped workspaces eliminate privacy or personal space. The modular furniture in the shared offices did not match other rooms, further distressing the overall coordination of workspace. In some cases, stretching your arms out means bumping into your neighbor. The desk arrangements in the average four-person office positioned two people with their backs to the door, meaning one person's chair was hit by the opening door.

Several of the employees surveyed commented on the inadequate facilities. They addressed workstations falling apart, the lack of space, and concerns of illness spreading easily due to the limited spacing between people. One employee surveyed stated, *"The working environment is extremely cramped and simply not conducive to the conduct of professional business. Four people in a 12x10 foot room where workstations are two feet apart is inadequate. It is amazing we are not sick more often."*<sup>49</sup>

The command recognized the need for increased workspace and better working conditions and took action by building an additional structure near the existing building. Renovations are underway on one floor of the original facility to convert the four-person offices into two. Recommendation is for the command to continue remodeling and increase efforts to complete the new building. Once the building is complete and personnel move into areas with new furniture and additional space, morale and productivity should increase.

## **5. Process/Subsystems**

Communication is a critical element for any organization's success. At USACC-KU, a lack of written plans and poor communication caused frustration,

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<sup>49</sup> Survey response from Anonymous Source #2, Employee.

confusion, and disruption within the command. For example, the commander once decided to have a late work start time on Monday. At approximately 1800 hours, the Saturday prior, leadership decided to notify all by testing the organization's telephone roster, or phone tree. Approximately four hours later, an employee at the bottom of the phone tree received the message promulgated via the roster. The message no longer included information about the authorized late arrival, only that the call was to test the notification system. Others did not receive the message and reported at the normal time. Another example of poor communication is the method of notification regarding shifting personnel among workstations. On several occasions, employees were moved to different workstations at night or on the weekend. Returning to work with a hand written name change on the door causes obvious frustration, confusion, and inefficiency. There are other examples demonstrating poor communication.

The Employee Survey included a request to rate USACC-KU management's communication, "Management effectively communicates important information: Not at all, Rarely, Less than half the time, More than half the time, or Almost always." Ten of the 14 (or 71%) indicated "rarely" or "less than half the time." One employee stated, "Communication to the employees was a knee jerk reaction to whatever inquiry was being made or what somebody thought would help."<sup>50</sup>

The command recognized this problem and began issuing a Plan of the Day, which was issued inconsistently. Obviously, a published POD could show employees that their managers know something about where the command is heading and its daily priorities.

## **C. RESULTS**

The third and final element of the OSF model are **results**, including the organization's culture, outputs, and outcomes.

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<sup>50</sup> Survey response from Anonymous Source #2, Employee.

## **1. Culture**

Like most organizations, there is a dominant culture and several sub-cultures. With the mix of personnel (military, civilian and contractor employees), sub-cultures would be anticipated. The primary culture reflects uniformed personnel, but civilians add at least two more sub-cultures. Combining these cultures into one organization with the assumption that civilians will behave as soldiers is a recipe for dysfunction and potential animosity between sub-cultures.

The director or chief position at USACC-KU is an Army O-5, equivalent to a Battalion Command position. Civilian employees at the GS-14 level normally hold these positions, especially in stateside organizations. The majority of the employees and middle managers at USACC-KU are civilian employees with the number of military members varying based on the needs of the command (i.e., changes in mission, inability to fill positions, etc.). The proposed TDA (or “to-be” model) for USACC-KU in Figure 6 above reflects an organization with an 84% civilian staff. Regardless of the current or future structure, the number of civilians consistently outnumbers the military.

Military are trained and socialized under different leadership styles than civilians. Army leaders expect mission focused soldiers to set aside their personal preferences to meet objectives. They are trained on Army doctrine and decision making, planning, and directing subordinates. Civilian employees who traditionally worked for civilian leaders are not accustomed to that environment, i.e., another misfit. The employee-employer relationship differs from a commander-soldier relationship. Although both military and civilian structures include a chain of command, it holds a stronger meaning in the military. These differences cause cultural clashes when civilian personnel attempt to meet the expectations of an Army commander.

Military and civilian sub-cultures often prefer to work with “their own” based on their social norms developed over decades. A military leader in the command indicated he preferred to work with military members. Again, the

notion of finding ways to lesson this gap is the point. Many survey respondents addressed concerns regarding differences in the treatment between military and civilians style. For example, one indicated there was “...*little apparent respect for civilian employees, yet contracting commands cannot function without civilians...*”<sup>51</sup> Another included the following statement, “*Civilians were treated as inferiors.*”<sup>52</sup>

While operating in a contingency environment, a commander would be expected to focus almost exclusively on the mission. The recommendation is to find a way to also focus on all the human resources in the organization. Recommendation is to acknowledge cultural differences and create work venues to close the gap. Prior to assuming command, leaders must understand all their employees, not jus the ones in uniform. Real or perceived differences in status between groups is predictive of trouble in multiple areas. The idea is that selected military leaders operating in this heavily civilian environment must also fit better with civilian norms and expectations. There are ways to encourage different cultures to work together while still maintaining separate cultural identities, e.g., joint MWR trips outside of the camp or social events on camp after duty hours designed to purposefully encourage cohesiveness. Recommendation is that OPD not be conducted solely for military officers. Consider turning it into a “LPD” (Leaders Professional Development) and include middle-management and team leaders within the command. Regardless of one’s preference of working with military or civilian personnel, overall culture has a direct bearing on performance. Although culture runs deep and is slow to change, it can be positively and purposefully influenced to minimize animosity and to reward productive interactions.

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<sup>51</sup> Survey response from Anonymous Source #9, Employee.

<sup>52</sup> Ibid., #3, Middle Management.

## **2. Outputs**

Providing contract support services is the primary output of USACC-KU. The most critical element of that support is the written contract. Low quality, poorly written contracts awarded in FY 2006 and FY 2007 contributed to the command's problems discussed earlier in this paper. The command experienced a turn around in contract quality starting gradually in 2007. Improvements were then observed in FY 2008. The researcher observed this improvement when comparing actions reviewed as a member of the IRT to those reviewed while serving as a PA on the USACC-KU staff. The actions reviewed as part of the IRT were written in FY 2005, 06 and 07. PA reviews were conducted on 2008 contracts. Substantial improvement was identified between these two time periods. Improvements in FY 2008 contracts includes: contract format consistent with regulation; contracts properly competed and if not, proper justifications present; reasons for modifications were documented in contract file; contract line items reflected what was purchased in lieu of generic statements such as "lot" or "set"; and bulk funded purchase requests, similar to a check book, were properly documented.

The employee surveys requested a "contract quality" rating (poor, adequate, good, or excellent) upon arrival and departure from the command (or currently if still at USACC-KU). Of the 14 respondents who were present in FY 2007 and 2008, two indicated no improvement; rating "adequate" for both time periods. The majority (42 percent) indicated contract quality moved from "poor" to "good" while 21 percent annotated an adjustment from "poor" to "adequate." This data supports researcher's observations of a recognizable improvement in the output contract support.

Several factors contributed to the improvement: processing requirements using only Simplified Acquisition Procedures, decreased workload, and the implementation of an Acquisition Instruction issued by the PARC. In addition, implementation of an USCC-KU internal review process was critical. Reviewers, PAs and attorneys, work as a team with the contracting officers and specialists



during the contract process, not only after the contract was completed. This integrated process team approach led to collaboration, synergy, a team approach to challenges and ultimately, end product improvement. USACC-KU should continue the IPT approach to reviews and enforce use of the PARC's Acquisition Instruction.

### **3. Outcomes**

Of the outcomes at USAC-KU, customer satisfaction is the most important. The USCC-KU mission is to provide "...contracting support... that enables the Warfighter to accomplish their mission." In 2006 and early 2007, contracts lapsed, most were poorly written, and many were not regulation compliant. This was not without impact upon USACC-KU or support staff in warfighter units, who struggled through the procurement process. Taxpayers may have paid more for contracted services without commensurate value on mission accomplishment. No warfighter went without fuel in their vehicles, food in their stomachs or a safe place to sleep at night, thanks to guards around Camp Arifjan. All of these services were contracted by USACC-KU. Nonetheless, in the end, USACC-KU accomplished their mission: the warfighter missed or lacked nothing. The end user, the most important USACC-KU stakeholder/customer, appeared satisfied. USACC-KU was effective, but not efficient.

The efforts of those assigned to USACC-KU in 2007 and 2008 saw improvement at USCC-KU as a system: efficiency increased. This meant different outcomes for the staff of USACC-KU: operational tempo eased, work was more predictable and stress levels began to drop. Warfighter support staff members enjoyed the change in USACC-KU because customer service improved: accessibility increased, contracting officers trained their customers in the basics of contracting, and collaboration occurred resulting in higher levels of staff satisfaction. Contractors saw an increased level of professionalism in

USACC-KU. Competitions were run smoothly and resulting contract awards were irrefutably fair. Increased efficiency was invisible to the end user mentioned above, but other stakeholders welcomed it.

The employee surveys requested a “customer service” rating (poor, adequate, good, or excellent) upon arrival and departure from the command (or currently if still at USACC-KU). Of the 14 respondents, three saw no improvement. The majority witnessed an improvement one level above rating upon arrival. Of those, 23% indicated customer service increased from “poor” to “good” and 23% annotated a change “poor” to “adequate.” This data supports the researcher’s observations of an improvement in customer service at USACC-KU.

Effectiveness is critical to military operations, including those of USCC-KU. Efficiency in this case is also critical. It is efficiency that improves USCC-KU staff member quality of life, and thereby, retention and recruitment. Therefore, USACC-KU should foster efficiency.

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

The primary research question for this thesis was, “How can an organizational systems assessment be used to explain organizational and behavioral results – intended and unintended consequences – experienced at the U.S. Army Contracting Command-Kuwait during the 2006-2008 timeframe?” This thesis also asked how the theory could be translated or used in an Army operational environment, e.g., OCONUS contingency contracting arena. A researcher-generated survey was conducted, obtaining an array of perceptions gleaned from overseas, wartime, contract professionals. The researcher also drew from personal experience gained while working at USACC-KU during the relevant time period. Results of the analysis in the previous chapter revealed that key variables appeared to be incongruent, which may have contributed to documented organizational dysfunctions.

During the two-year period considered for this project, USACC-KU experienced substantial changes. The organization drew attention from the highest levels of the Army when fraud, conspiracy, and corruption charges were publicized in 2007.

The following recommendations apply:

- 1) Initiate meaningful morale-building events into the command’s schedule, and encourage use of existing MWR programs;
- 2) Actively review and select the “right people” to fill positions at USACC-KU;
- 3) Establish clear and compelling short- and long-range goals, involve personnel and communicate goals throughout the command, and establish metrics to ensure and track the implementation of needed changes;
- 4) Ensure adherence to local policies and procedures for all contract actions, regardless of dollar amount;
- 5) Consolidate command structure to accommodate the modern “cradle to grave” contracting methodology;
- 6) Continue and expedite improving physical facilities;

- 7) Obtain assistance and implement strategic communications to ensure continuity of direction and command intent;
- 8) Obtain assistance and improve the Integrated Process Team approach, e.g., team-building efforts, ensuring real and perceived equity between civilian and military personnel.

## **APPENDIX INTERVIEW QUESTIONS**

### **A. EMPLOYEE INTERVIEW QUESTIONS**

Organizational Analysis of the U.S. Army Contracting Command-Kuwait  
By Kris Orr

(Complete anonymity promised – no names will be used in this study)

#### General Information:

1. Your highest level of education.  
☐ High School Diploma  
☐ College Degree  
☐ Post Graduate Courses  
☐ Masters Degree  
☐ Doctorate Degree
2. Your highest DAWIA level of certification in contracting.  
☐ Level I  
☐ Level II  
☐ Level III
3. Employee Type:  
☐ Civilian  
☐ Military  
☐ Contractor
4. Your current rank, if Army civilian or military: \_\_\_\_\_
5. Your position title at USACC-KU: \_\_\_\_\_
6. Total years and months you have been involved in government contracting:  
\_\_\_\_\_ Years and \_\_\_\_\_ Months
7. Position in the command between 2006-2008:  
☐ Permanent  
☐ TDY
8. Dates (month/year) you have worked for USACC-KU?  
From \_\_\_\_\_ 200\_\_ to \_\_\_\_\_ 200\_\_

9. How was the *direction* of the command primarily communicated to employees during 2006/08, e.g., Vision? Mission? Goals? Strategic plan?

10. What does it take for contingency contracting to be successful at USACC-KU during 2006/08, e.g., factors needed to succeed in that context?

11. What were the most important *issues* facing the command when you arrived; *issues* which had to be dealt with, and which the command had some degree of control?

Issue One:

Issue Two:

12. Overall, contract *quality* when you arrived was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

13. Overall, contract *quality* currently or when you left was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

14. Overall, the *quality of contract administration* when you arrived was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

15. Overall, the *quality of contract administration* currently or when you left was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

16. Overall, the *quality of customer service* when you arrived was:

- ☐ Poor
- ☐ Adequate
- ☐ Good

☐ Excellent

17. Overall, the *quality of customer service* currently or when you left was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

18. Overall, the senior leadership at the command in 2006/08 was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

19. Briefly describe the *reward system* used at USACC-KU during 2006/08, e.g., reward system includes punishment/discipline:

20. Overall, USACC-KU receive contingency contracting personnel with the necessary knowledge, skill sets, and abilities to succeed in the 2006/08 context:

- ☐ Most of the time
- ☐ Over half the time
- ☐ Less than half the time
- ☐ Hardly ever

21. Describe the working conditions (from facilities and equipment to environment).

22. What factors motivated you to accept a position or temporary assignment in this organization?

23. My overall work expectations are/were being met:

- ☐ Not at all
- ☐ Somewhat
- ☐ Moderately
- ☐ Substantially
- ☐ N/A

24. The organization's training program has improved my knowledge/skills:

- ☐ Not at all
- ☐ Somewhat
- ☐ Moderately

- ☐ Substantially
- ☐ N/A

25. Management effectively communicates important information:

- ☐ Not at all
- ☐ Rarely
- ☐ Less than half the time
- ☐ More than half the time
- ☐ Almost always

## **B. MIDDLE MANAGEMENT INTERVIEW QUESTIONS**

Organizational Analysis of the U.S. Army Contracting Command-Kuwait  
By Kris Orr

(Complete anonymity promised – no names will be used in this study)

### General Information:

1. Your highest level of education.

- ☐ High School Diploma
- ☐ College Degree
- ☐ Post Graduate Courses
- ☐ Masters Degree
- ☐ Doctorate Degree

2. Your highest DAWIA level of certification in contracting.

- ☐ Level I
- ☐ Level II
- ☐ Level III

3. Employee Type:

- ☐ Civilian
- ☐ Military
- ☐ Contractor

4. Your current rank, if Army civilian or military: \_\_\_\_\_

5. Your position title at USACC-KU: \_\_\_\_\_

6. Total years and months you have been involved in government contracting:



\_\_\_\_\_ Years and \_\_\_\_\_ Months

7. Position in the command between 2006-2008:

☐ Permanent

☐ TDY

8. Dates (month/year) you have worked for USACC-KU?

From \_\_\_\_\_ 200\_ to \_\_\_\_\_ 200\_

9. How was the *direction* of the command primarily communicated to employees during 2006/08, e.g., Vision? Mission? Goals? Strategic plan?

10. How were command *desired outputs* communicated to employees in 2006/08?

11. What does it take for contingency contracting to be successful at USACC-KU during 2006/08, e.g., factors needed to succeed in that context?

12. What were the most important *issues* facing the command when you arrived; *issues* which had to be dealt with, and which the command had some degree of control?

Issue One:

Issue Two:

13. Overall, contract *quality* when you arrived was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

14. Overall, contract *quality* currently or when you left was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

15. Overall, the *quality of contract administration* when you arrived was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

16. Overall, the *quality of contract administration* currently or when you left was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

17. Overall, the *quality of customer service* when you arrived was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

18. Overall, the *quality of customer service* currently or when you left was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

19. List the three most important external stakeholders at USACC-KU during 2006/08:

1.

2.

3.

20. Overall, how was Kuwait contracting perceived by the brigade during 2006/08?

21. Overall, the senior leadership at the command in 2006/08 was:

☐ Poor

☐ Adequate

☐ Good

☐ Excellent

22. Overall, how much *interdependency* is needed among contingency contracting employees during 2006/08?

- ☐ Little to no interdependency needed
- ☐ Some needed
- ☐ Moderate amount needed

23. What are the *basic groupings* of activities and people at USACC-KU in 2006/08? Check those that apply:

- ☐ Traditional departmental divisions by function
- ☐ Mainly individual work
- ☐ Teams and Task Forces used
- ☐ Matrix

24. Briefly describe the *reward system* used at USACC-KU during 2006/08, e.g., reward system includes punishment/discipline:

25. Overall, USACC-KU receive contingency contracting personnel with the necessary knowledge, skill sets, and abilities to succeed in the 2006/08 context:

- ☐ Most of the time
- ☐ Over half the time
- ☐ Less than half the time
- ☐ Hardly ever

### **C. SENIOR MANAGEMENT INTERVIEW QUESTIONS**

Organizational Analysis of the U.S. Army Contracting Command-Kuwait  
By Kris Orr

(Complete anonymity promised – no names will be used in this study)

#### General Information:

1. Your highest level of education.

- ☐ High School Diploma
- ☐ College Degree
- ☐ Post Graduate Courses
- ☐ Masters Degree
- ☐ Doctorate Degree

2. Your highest DAWIA level of certification in contracting.

- ☐ Level I
- ☐ Level II
- ☐ Level III

3. Employee Type:  
    \_\_\_ Civilian  
    \_\_\_ Military  
    \_\_\_ Contractor
4. Your current rank, if Army civilian or military: \_\_\_\_\_
5. Your position title at USACC-KU: \_\_\_\_\_
6. Total years and months you have been involved in government contracting:  
    \_\_\_\_\_ Years and \_\_\_\_\_ Months
7. Position in the command between 2006-2008:  
    \_\_\_ Permanent  
    \_\_\_ TDY
8. Dates (month/year) you have worked for USACC-KU?  
    From \_\_\_\_\_ 200\_\_ to \_\_\_\_\_ 200\_\_
9. How was the *direction* of the command primarily communicated to employees during 2006/08, e.g., Vision? Mission? Goals? Strategic plan?
10. Briefly describe the *mandate* of the command pertaining to contingency contracting in 2006/08, things the command *must* and *should* be doing.
11. How were command *desired outputs* communicated to employees in 2006/08?
12. How were brigade or higher *desired outputs* communicated to you by leadership?
13. What does it take for contingency contracting to be successful at USACC-KU during 2006/08, e.g., factors needed to succeed in that context?

14. What were the most important *issues* facing the command when you arrived; *issues* which had to be dealt with, and which the command had some degree of control?

Issue One:

Issue Two:

14. Overall, contract *quality* when you arrived was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

15. Overall, contract *quality* currently or when you left was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

16. Overall, the *quality of contract administration* when you arrived was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

17. Overall, the *quality of contract administration* currently or when you left was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

18. Overall, the *quality of customer service* when you arrived was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

19. Overall, the *quality of customer service* currently or when you left was:

- ☐ Poor
- ☐ Adequate
- ☐ Good
- ☐ Excellent

20. List the three most important external stakeholders at USACC-KU during 2006/08:

1.

2.

3.

21. Overall, how was Kuwait contracting perceived by the brigade during 2006/08?

22. Briefly describe the *reward system* used at USACC-KU during 2006/08, e.g., reward system includes punishment/discipline:

23. Overall, USACC-KU receive contingency contracting personnel with the necessary knowledge, skill sets, and abilities to succeed in the 2006/08 context:

- ☐ Most of the time
- ☐ Over half the time
- ☐ Less than half the time
- ☐ Hardly ever

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